

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2014 | City of Plymouth, Minnesota



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CITY OF PLYMOUTH, MINNESOTA**

**For The Year Ended
December 31, 2014**

Dave Callister – City Manager

**Prepared by
Administrative Services Department, Finance Division**

**Members of the Government Finance Officers
Association of the United States and Canada**

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INTRODUCTORY SECTION

CITY OF PLYMOUTH, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2014

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June 30, 2015

Honorable Mayor, Members of the City Council,
City Manager, and Residents
City of Plymouth, Minnesota

Minnesota Statutes require all cities to prepare and issue an annual report on their financial position and activity in accordance with U.S. Generally Accepted Accounting Principles (GAAP), and audited in accordance with U.S. Generally Accepted Auditing Standards by a firm of licensed certified public accountants, or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Plymouth for the fiscal year ended December 31, 2014.

This report consists of management's representations of the City of Plymouth's finances. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation for the city's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the city's comprehensive framework of internal controls was designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief the financial report is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the city as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the city's financial affairs have been included.

The City of Plymouth's financial statements were audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Plymouth's financial statements for the fiscal year ended December 31, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The organization, form, and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada, the American Institute of Certified Public Accountants, the Minnesota State Auditor's Office, and the Plymouth City Charter.

This transmittal letter is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with the MD&A. The MD&A can be found immediately following the independent auditors' report.

Reporting Entity

In accordance with GASB statements, included are all funds of the city and its component unit, the Plymouth Housing and Redevelopment Authority (HRA). The HRA is included as a discretely presented component unit.

Profile of the Government

The City of Plymouth, incorporated in 1955, is a suburban community located northwest of Minneapolis in Hennepin County. The City has a land area of 35 square miles and serves a population of approximately 74,000 residents. Plymouth is currently the 7th largest city in the state. The city has excellent access to the Minneapolis-St. Paul metropolitan area via interstate highways I-494 and I-394, US Highway 169 and Minnesota State Highway 55.

Policymaking and legislative authority are vested in the City Council consisting of a mayor, four ward council members, and two at-large council members. The mayor and council members are elected on a non-partisan basis to serve four-year terms, with council members serving staggered terms. The Council is responsible for passing ordinances, adopting the budget, appointing board and commission members, and hiring a city manager. The city manager is responsible for carrying out the policies and ordinances of the Council, overseeing day-to-day operations of city government, and for hiring all employees.

The city provides a full range of services to residents and businesses, including police and fire protection, construction and maintenance of streets, municipal water and sanitary sewer service, maintaining parks and trails, providing recreational activities, planning, zoning and inspection services, transit services and administration.

The annual budget serves as the foundation for financial planning and control. The city uses a biennial budget model, covering two fiscal years, for planning purposes. The first year of the budget is adopted as the annual budget; the second year is adopted in concept, pending the approval of a new tax levy in the second year. All departments and agencies submit requests for appropriation to the city manager in July of each year. The city manager uses these requests as the starting point for developing a proposed budget. The proposed budget is presented to the Council for review prior to August 31. The Council adopts a preliminary budget and tax levy by September 15 of each year. Minnesota Statutes require a budget meeting be held for the public to provide comments. The final budget and tax levy are adopted by December 31, the close of the City of Plymouth's fiscal year.

Economic Condition and Outlook

The city grew substantially during the 1980s and 1990s, increasing by 61%. Plymouth's population increased 29% from 1990 to 2000; 7% from 2000 to 2010 and 4% from 2010 to 2014. As of 2014 the population is 73,518. The key relationship between development and the budget is our ability to generate sufficient funds to deliver appropriate public services.

The city continued a progressive and sound financial program throughout 2014, while providing core services as well as services that are intended to enhance quality of life. Community surveys and national publications rate Plymouth's services at a very high level.

In 2013, the city produced its fourth biennial budget covering fiscal years 2014-2015. This important document required significant planning and scenario-building to ensure a workable operating budget under changing economic conditions. In July of 2014, the city reviewed and updated the second year (2015) of this document following the outcomes of legislative adjustments, levy limit calculation, and review of revenue and expenditure patterns for the most recent activity trends.

Although current external economic conditions are challenging, Plymouth’s continued growth and sound financial condition, as reflected in the following financial report, place the city in an enviable position.

The payable 2014 total market value of the City was \$8,938,409,200 an increase of \$172,568,800 from 2013. The increase in total market value between payable 2013 and payable 2014 was 2.0%, trending more favorably than last year.

Commercial and residential growth is increasing as development expands to the northwest area of the City and as commercial properties redevelop.

Source: Metropolitan Council

Year	Population	Households	Employment
1970	18,077	4,645	6,060
1980	31,615	10,491	20,212
1990	50,889	18,361	38,103
2000	65,894	24,820	53,491
2010	70,576	28,663	46,227
2020	75,400	30,600	54,900
2030	81,600	33,100	59,400
2040	87,800	35,500	66,500

** Population figures through 2010 are based on census reporting.

Important Events and Future Prospects

Planning is the key to the development of a diverse economic base without sacrificing the standards required to ensure quality and order. Industrial, commercial and utility properties make up about 40% of the city’s tax capacity. The city’s land use guide plan designates all land uses including areas available for commercial and industrial development.

The City continues to rely on its Comprehensive Plan, a long-term planning document that guides the community’s future development and redevelopment.

In 2014, the City purchased a new Utility Billing software. This software will enhance reporting, streamline processes and improve accuracy for customers.

In addition, the City has begun a full analysis of the Internal Service Funds to monitor allocations and ensure accuracy in the cost reimbursement basis of all funds.

Plymouth’s continued focus on long-term planning, public infrastructure protection and improvements, and increased accountability ensures the community is prepared for future phases of development and redevelopment, able to adapt to unforeseen economic challenges, and able to meet the needs of a maturing community.

Accounting System and Budgetary Control

Accounting records are maintained on the accrual or modified accrual basis, as appropriate. Budgetary control is maintained by an encumbrance system whereby purchase orders are pre-audited as to availability of funds prior to their release to vendors. Purchase orders which exceed appropriation balances, or were not approved, are not released until funding is available or approval is given. Open encumbrances are reported as assignments of fund balance. The budget, as adopted, can be revised by the City Council and a contingency appropriation is provided for. All amendments, individual and in total, were not material in relation to the original appropriation.

Independent Audit

State statutes require an annual audit of the books of account, financial records, and transactions of all administrative departments by independent certified public accountants selected by the City Council. The city is in compliance with state statutes, and the independent auditors' report has been included in this report.

Awards and Acknowledgements

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Plymouth for its Comprehensive Annual Financial Report for the year ended December 31, 2013. This was the 32nd consecutive year that the City of Plymouth has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy GAAP requirements and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements, and it will be submitted to the GFOA to determine eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. We would like to express our appreciation to all members of the department for their work in preparing this report. We also wish to thank the city manager and members of the City Council for their interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Respectfully submitted,



Jodi Bursheim
Finance Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Plymouth
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

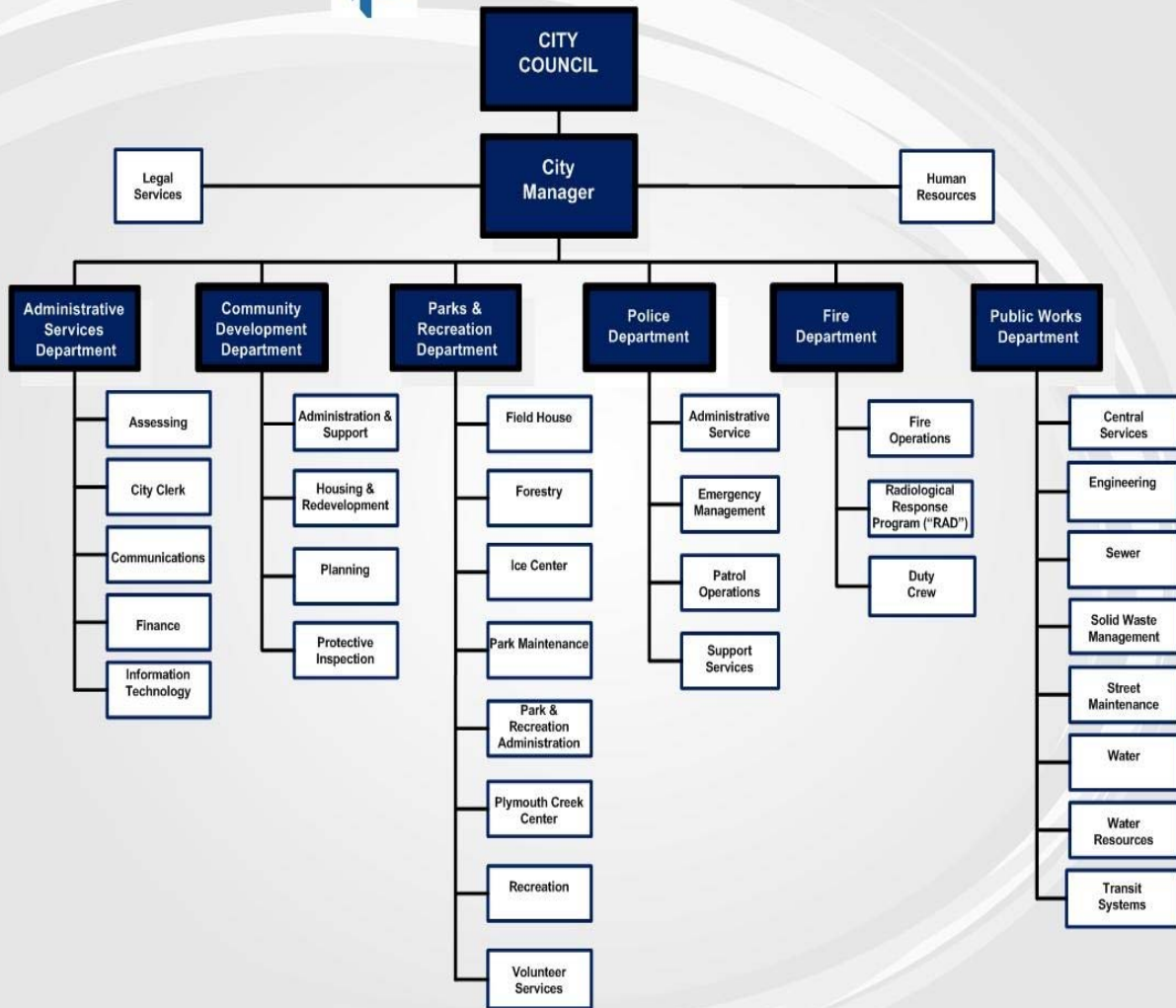
December 31, 2013

Executive Director/CEO



City of Plymouth

Organizational Chart



**City of Plymouth
LISTING OF CITY OFFICIALS
at December 31, 2014**

Elected Officials

	<u>Ward</u>	<u>Term of Office</u>	<u>Term Expires</u>
Mayor Kelli Slavik		Four Years	12-31-14
Councilmember Judy Johnson	1	Four Years	12-31-16
Councilmember Jeffry Wosje	2	Four Years	12-31-14
Vacant	3	Four Years	12-31-16
Councilmember Jim Prom	4	Four Years	12-31-14
Councilmember Tim Bildsoe	At-Large	Four Years	12-31-14
Councilmember Jim Willis	At-Large	Four Years	12-31-16

City Officials and Department Directors

City Manager	Dave Callister
Director of Administrative Services	Luke Fischer
Director of Community Development	Steve Juetten
Director of Parks and Recreation	Diane Evans
Director of Public Works	Doran Cote
Police Chief	Mike Goldstein
Fire Chief	Rick Kline
City Clerk	Sandy Engdahl
City Attorney	Roger Knutson
City Assessor	Hennepin County

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FINANCIAL SECTION



PRINCIPALS

Thomas M. Montague, CPA
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Plymouth, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plymouth, Minnesota (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and the major special revenue fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Plymouth Firefighters' Relief Association Schedule of Funding Progress, and the Other Postemployment Benefits Plan Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

(continued)

Prior Year Comparative Information

We have previously audited the City's 2013 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated June 12, 2014. In our opinion, the partial comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 5, 2015

City of Plymouth, Minnesota
For the Year Ended December 31, 2014
Management's Discussion and Analysis

As management of the City of Plymouth, we offer readers of the City of Plymouth's financial statements this narrative overview and analysis of the financial activities of the City of Plymouth for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-viii of this report.

Financial Highlights

- At year-end 2014, the City of Plymouth's assets exceeded its liabilities and deferred inflows of resources by \$435 million (*net position*). Net position consisted of:
 - \$41.2 million (9.5% of total net position) restricted for specific purposes
 - \$296.8 million (68.2% of total net position) represent the City's investment in long-term assets (including roads, bridges and other infrastructure assets) net of long-term debt used to finance these assets
 - \$97.0 million (22.3% of total net position) are unrestricted and are available to meet the City's obligations consistent with City policy, legislative intent and direction of the City Council.
- Governmental activities recognized an increase in net position of \$23.6 million and business-type activities resulted in an increase of \$2.4 million. Overall, the City's net position increased by \$26.0 million in 2014. Permit revenue increased significantly due to elevated development activity throughout the city; along with cost savings from personnel attrition and overall restraint on spending.
- The City's governmental funds reported combined ending fund balances of approximately \$78.1 million. Unlike net position, governmental fund balance measures only currently available, spendable resources. Approximately \$534 thousand of total governmental fund balances are nonspendable such as inventory, prepaid items and principal of the Cemetery Perpetual Care fund. The city's restricted fund balance is approximately \$16.2 million for specific purposes that are subject to external legal restrictions such as debt service and other restrictive uses. The remainder fund balance of \$61.3 million is comprised of \$49.6 million of assigned fund balance for purposes such as construction of long-term assets or other desired uses and \$11.7 million is unassigned.
- The City's main operating fund, the General Fund, reported a year-end balance of approximately \$13.4 million. The General Fund's balance represents approximately 40% of subsequent year annual budgeted spending in this fund. Fund balance in the General Fund increased \$615 thousand during the year.
- The City's total governmental activity bonded debt decreased by approximately \$1.4 million, or 7.4% from the prior-year. This debt represents a very modest ratio of only 5.9% of governmental net position. The City's restricted resources for governmental debt service are approximately \$2.6 million which represents approximately 12.3% of governmental debt outstanding at year-end. The City's business-type activity bonded debt decreased \$5.9 million. Net revenues of the Water Sewer Utility are pledged for the debt service of the business-type activities.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City of Plymouth's basic financial statements. The City of Plymouth's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements - *government-wide financial statements* provide users with a broad overview of the City's finances similar to the financial statements of private-sector businesses.

The *statement of net position* presents information on all of the City of Plymouth's assets, liabilities and deferred inflows/outflows as applicable, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Plymouth is improving or deteriorating.

The *statement of activities* presents information showing how the City of Plymouth's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Plymouth that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Plymouth include general government, economic development, parks and recreation, public safety, public service, and public works. Business-type activities are primarily financed through user-charges or fees. The business-type activities of the City of Plymouth include the water sewer utility, ice center, water resources, solid waste management and field house.

The government-wide financial statements can be found on pages 13-15 of this report.

Fund Financial Statements – A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City Council establishes funds for a variety of purposes, the most important of which is to promote fulfilling its stewardship role with respect to using certain resources such as taxes and grants. The City of Plymouth's funds are divided into two major groups: governmental funds and proprietary funds. Each of these types of funds needs and uses different accounting approaches to provide information relevant to their functions.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The governmental fund statements are on pages 18-26 of this report.

Proprietary Fund statements, like the government-wide statements, measure all the economic resources of a fund and the claims against those resources. Also, like government-wide statements, the proprietary fund statements use a full accrual method of accounting for changes in the assets and liabilities of the fund. The City uses proprietary funds to account for two types of activities.

Enterprise funds account for functions, which are reported as *business-type* activities in the government-wide statements. The City of Plymouth uses enterprise funds to account for its water sewer utility, ice center, water resources, solid waste management and field house operations. *Internal Service funds* are businesses whose only customer is the government itself. These funds are an accounting device used to accumulate and allocate costs internally among the City of Plymouth's various functions. The City of Plymouth uses internal service funds to account for central equipment, public facilities, information technology, risk management, employee benefits and resource planning functions. Most of the costs allocated through internal service funds benefit the government activities rather than its business activities. Therefore, internal service activities are included among the City's governmental activities in the government-wide statements.

Proprietary fund statements are on pages 28-37 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 39 - 65 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Plymouth, assets exceeded liabilities and deferred inflows of resources by approximately \$435 million at the end of fiscal year 2014. A portion of the City of Plymouth's net position (68.2%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Plymouth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Plymouth's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Plymouth, Minnesota						
Net Position						
<i>(amounts in thousands of dollars)</i>						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$ 122,358	\$ 116,238	\$ 37,554	\$ 42,649	\$ 159,912	\$ 158,887
Capital assets net of accumulated depreciation	200,753	180,279	113,866	112,222	314,619	292,501
Total assets	<u>\$ 323,111</u>	<u>\$ 296,517</u>	<u>\$ 151,420</u>	<u>\$ 154,871</u>	<u>\$ 474,531</u>	<u>\$ 451,388</u>
Liabilities:						
Current and other liabilities	\$ 9,496	\$ 7,558	\$ 1,478	\$ 1,354	\$ 10,974	\$ 8,912
Long-term liabilities	21,152	22,364	5,127	11,073	26,279	33,437
Total liabilities	<u>30,648</u>	<u>29,922</u>	<u>6,605</u>	<u>12,427</u>	<u>37,253</u>	<u>42,349</u>
Deferred Inflows of Resources:						
State aid received for subsequent years	2,230	-	-	-	2,230	-
Net Position:						
Net investment in capital assets	188,060	166,354	108,738	106,156	296,798	272,510
Restricted net position	13,365	17,234	27,846	26,906	41,211	44,140
Unrestricted net position	88,808	83,007	8,231	9,382	97,039	92,389
Total net position	<u>290,233</u>	<u>266,595</u>	<u>144,815</u>	<u>142,444</u>	<u>435,048</u>	<u>409,039</u>
Total liabilities and net position	<u>\$ 320,881</u>	<u>\$ 296,517</u>	<u>\$ 151,420</u>	<u>\$ 154,871</u>	<u>\$ 472,301</u>	<u>\$ 451,388</u>

A portion of the City of Plymouth's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$97.0 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Plymouth is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

- **Governmental activities** – Governmental activities increased the City of Plymouth’s net position by approximately \$23.6 million or 8.9%. Several factors contributed to this increase include additional capital construction, elevated development activity throughout the city resulting in significant increase in permit revenue, increased market value of investment, and significant cost savings from personnel attrition and overall restraint on spending.
- **Business-type activities** – The net position of business-type activities increased by \$2.4 million or 1.7%. The positive results are the result of significant capital contributions this year due to the timing of project completions and increased market value of investments.

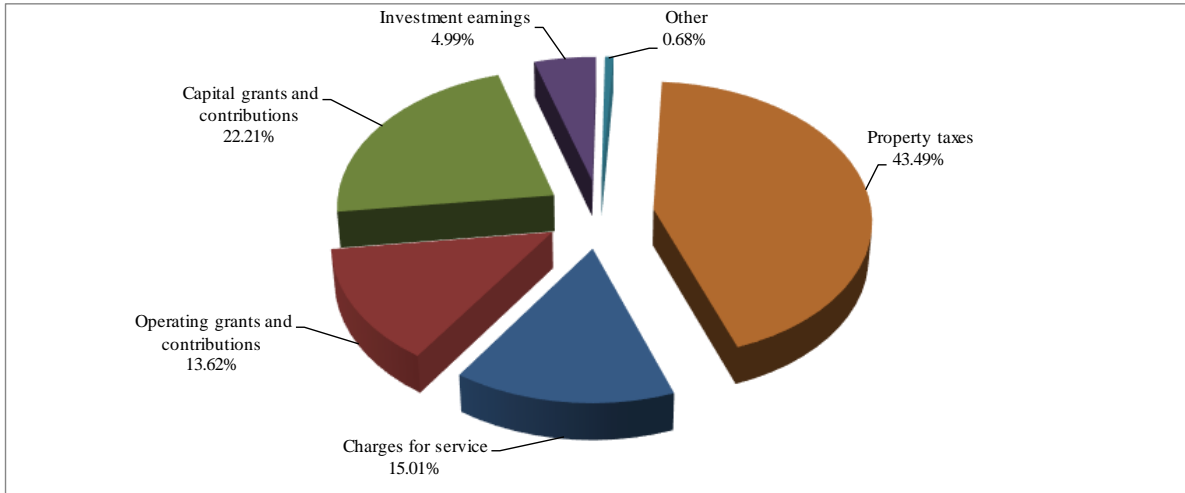
The following table indicates the changes in net position for the City’s governmental and business-type activities:

City of Plymouth, Minnesota						
Changes in Net Position						
<i>(amounts in thousands of dollars)</i>						
	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for service	\$ 10,371	\$ 8,583	\$ 19,443	\$ 20,065	\$ 29,814	\$ 28,648
Operating grants and contributions	9,405	7,858	327	446	9,732	8,304
Capital grants and contributions	15,343	5,525	3,970	2,417	19,313	7,942
General revenues:						
Property taxes	30,038	29,695	-	-	30,038	29,695
Investment earnings	3,448	(1,594)	1,165	(68)	4,613	(1,662)
Gain on sale of capital assets	144	91	-	-	144	91
Other	326	290	-	-	326	290
Total revenues	<u>69,075</u>	<u>50,448</u>	<u>24,905</u>	<u>22,860</u>	<u>93,980</u>	<u>73,308</u>
Expenses:						
General government	4,743	4,483	-	-	4,743	4,483
Economic development	653	345	-	-	653	345
Parks and recreation	8,427	7,987	-	-	8,427	7,987
Public safety	16,111	15,311	-	-	16,111	15,311
Public service	4,131	4,310	-	-	4,131	4,310
Public works	12,700	12,164	-	-	12,700	12,164
Water sewer utility	-	-	15,664	15,404	15,664	15,404
Ice center	-	-	1,708	1,734	1,708	1,734
Water resources	-	-	1,996	1,966	1,996	1,966
Solid waste management	-	-	922	916	922	916
Field house	-	-	324	310	324	310
Interest on long-term debt	592	624	-	-	592	624
Total expenses	<u>47,357</u>	<u>45,224</u>	<u>20,614</u>	<u>20,330</u>	<u>67,971</u>	<u>65,554</u>
Change in Net Position Before Transfers	21,718	5,224	4,291	2,530	26,009	7,754
Transfers in (out)	1,920	(863)	(1,920)	863	-	-
Change in Net Position	<u>23,638</u>	<u>4,361</u>	<u>2,371</u>	<u>3,393</u>	<u>26,009</u>	<u>7,754</u>
Net Position at Beginning of Year	266,595	262,234	142,444	139,051	409,039	401,285
Net Position at End of Year	<u>\$ 290,233</u>	<u>\$ 266,595</u>	<u>\$ 144,815</u>	<u>\$ 142,444</u>	<u>\$ 435,048</u>	<u>\$ 409,039</u>

Governmental Activities:

Revenues - A distinguishing financial characteristic of governmental activities is that the cost of government is paid, at least in part, by taxes. Revenues financing the City’s governmental activities costs were as follows:

Revenue Sources – Governmental Activities



Most of the City’s revenues are “home-grown”; the City of Plymouth does not rely heavily on State aids or grants. This helps insulate the City from changes imposed by the State Legislature. The City experienced increased capital grants and contributions during the year due to significant infrastructure construction funded partially by municipal construction State aid.

Business-type Activities

The City’s Business-type activities provide water sewer utility, ice center, water resources, solid waste management, and field house services to its residents. The City’s business-type activities are accounted for, financed, and operated in a manner similar to private business enterprises. It is generally intended that the cost of providing services to the public be financed or recovered primarily through user charges.

The City’s business-type activities are capital intensive. The City’s investment in capital assets (net of accumulated depreciation) of its business activities totaled approximately \$113.9 million in 2014; which is approximately 75.2% of total business-type assets.

The principal challenge for the City’s business activities is financing the replacement, maintenance, and expansion of their capital assets (asset maintenance). The City of Plymouth combines operating and non-operating sources (primarily area-wide assessments) to finance its investment in business-type assets.

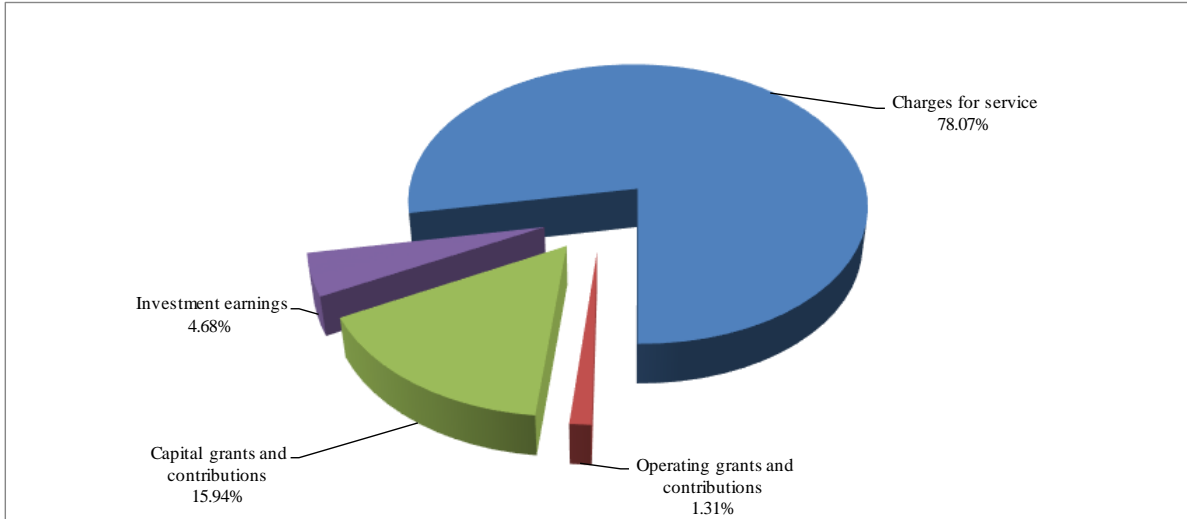
Operating income starts with revenues generated by charges for sales and service. As of December 31, 2014, there were 22,532 water and/or sewer customers. The water and sewer utility represented approximately 73.8% of total business-type charges for service revenue in 2014. Operating income alone is not sufficient to provide for the replacement, maintenance and expansion of the City’s business-type capital assets. Depreciation allocates the cost of capital assets over their estimated useful lives; it approximates the amount of capital assets “used-up” during the year. The City’s business-type activities generate positive operating income before depreciation, although it is not enough to fully offset or fund depreciation on capital assets.

In 2014, the City reported positive operating income, excluding depreciation, of approximately \$3.8 million. After depreciation, the City reported an operating loss of approximately \$1.2 million. Including non-operating income, the City’s business-type activities resulted in an overall increase in net position of approximately \$2.4 million for 2014. Significant non-operating revenues in 2014 included grant revenue from

other governmental agencies of \$323 thousand and capital contributions of \$7.8 million including area-wide assessments of \$3.7 million and other capital contributions of \$4.0 million.

The following chart illustrates the City’s revenue sources for its business-type activities:

Revenue Sources – Business-type Activities



Financial Analysis of the City of Plymouth’s Funds

As noted earlier, the City of Plymouth uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City of Plymouth’s *governmental funds* is to provide information on *near-term* inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Plymouth’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the amount of available, spendable resources potentially available for appropriation by the City Council to finance the City’s day-to-day activities.

General Fund-

- The fund balance of the General Fund is the City’s principal liquidity reserve.
- The City Council has adopted a long-range financial plan to provide adequate operating cash for future years. The goal is to maintain a total fund balance of approximately 40% of the General Fund expenditure and transfers out budget for the following year. The City met this goal in 2014; the fund balance at year-end was \$13.4 million, or 40% of 2015 budgeted expenditures and transfers out.

Transit System Fund-

- In the Transit System Fund, the fund balance increased by \$1.1 million. This increase is primarily due to an increase in the City’s proportionate share of motor vehicle tax.

General Capital Projects Fund-

- The fund balance increased in the General Capital Projects Fund by \$1.7 million during the year. This increase is due to approved funding transfers of various capital projects throughout the current year for construction of the City’s buildings and park improvements.

Improvement Projects Fund-

- The fund balance increased in the Improvement Projects Fund by \$1.9 million during the year. This increase is due to approved funding transfers of various capital projects throughout the current year for construction of streets and other infrastructure improvements.

Infrastructure Replacement Fund-

- The fund balance increased in the Infrastructure Fund by \$2.7 million during the year. This increase is due to revenues, including property taxes exceeding approved funding transfers for various capital projects throughout the current year for construction of street and other infrastructure improvements.

Minnesota State Aid Fund-

- The fund balance decreased in the Minnesota State Aid Fund by \$2.4 million during the year. This decrease is due to timing of approved funding transfers for various capital projects throughout the current year for construction of streets.

Park Replacement Fund –

- The fund balance decreased in the park replacement fund by \$187 thousand during the year. This decrease is due to approved funding transfers of various capital projects throughout the current year for replacement of park infrastructure and equipment.

Of the total governmental funds fund balance of \$78.1 million, \$534 thousand is nonspendable, \$16.2 million is restricted for specific uses based on external regulations, \$49.6 million is assigned internally for specific uses and \$11.7 is unassigned.

Proprietary Funds – The City of Plymouth’s *proprietary funds* provide the same type of information found in the government-wide financial statements, but in more detail.

Water Sewer Utility Fund-

- Unrestricted net position at the end of the year was \$4.5 million. The total increase in net position was \$922 thousand.

Ice Center Fund-

- Unrestricted net position at the end of the year was \$265. The total decrease in net position was \$193 thousand.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Plymouth’s business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final General Fund budget represents the originally adopted budget, since no amendments were approved during the course of the year by the City Council.

The 2014 General Fund budget anticipated an expenditure increase over 2013 budget of 4.4%. This increase included planned wage and benefit adjustments and inflationary adjustments.

General Fund revenues and other financing sources exceeded budget estimates by \$3.5 million during the year. Contributing factors for this increase included additional license and permit revenue due to elevated development activity, increased state grants and aids, and additional project administration fees due to increased number of projects completed this year.

General Fund expenditures were under budget estimates by \$584 thousand due to decreases in personal costs due to attrition and cost restraints shared by all departments. Other financing uses exceeded budget by \$3.4 million. The primary reason for this overage was that the net positive year-end position allowed the General

Fund to make unplanned transfers of \$3.4 million to the General Capital Projects fund for future improvement projects.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The City’s total investment in long-term (capital) assets, net of accumulated depreciation totaled \$314.6 million at year-end.

Components of the City’s capital assets by type and activity are described in the table below:

City of Plymouth, Minnesota
Summary of Capital Assets
(amounts in thousands of dollars)

	Governmental Capital Assets		Business-type Capital Assets		Total Capital Assets	
	2014	2013	2014	2013	2014	2013
Land	\$ 41,207	\$ 33,985	\$ 3,199	\$ 3,199	\$ 44,406	\$ 37,184
Construction in progress	20,358	8,094	482	573	20,840	8,667
Buildings	24,769	25,502	31,300	32,902	56,069	58,404
Improvements other than buildings	11,510	11,056	3,352	3,412	14,862	14,468
Machinery and equipment	13,524	12,590	4,334	4,844	17,858	17,434
Infrastructure	89,385	89,052	71,199	67,292	160,584	156,344
Total capital assets	<u>\$ 200,753</u>	<u>\$ 180,279</u>	<u>\$ 113,866</u>	<u>\$ 112,222</u>	<u>\$ 314,619</u>	<u>\$ 292,501</u>

See footnote 4, pages 51-53, to the financial statements for additional information about the City’s capital assets.

Long-Term Bonded Debt

The City’s long-term bonded debt totaled \$21.8 million at year-end, compared to \$29.1 million at the beginning of the year. During the year, the City made regular debt service payments of \$1.3 million on governmental activity bonds and \$60 thousand on business-type activity bonds. A business-type activity bond of \$5.9 million was refunded during the year.

The City’s debt holds the highest rating from Moody’s Investors Services: Aaa, as well as from Standard and Poor’s Ratings Services: AAA. The dual rating placed City of Plymouth among only six other cities in the state to receive this distinction.

See footnote 5, pages 54-56, to the financial statements for a schedule showing the City’s long-term debt activity.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The 2015 budget was conservatively developed to account for economic and legislative activity. It provides for a balanced budget and a sound financial plan for 2015 that maintains core service levels and is sensitive to the financial concerns of Plymouth taxpayers. The tax levy increased 2.0% from 2014.

As a result of the City’s responsible stewardship, the quality services our residents have come to expect continue to be provided at a reasonable price.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

Questions concerning the information provided in this report or requests for additional financial information should be addressed to the City of Plymouth, Administrative Services Department, 3400 Plymouth Boulevard, Plymouth, MN 55447-1482, 763-509-5300 or the City’s web site at www.plymouthmn.gov.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are intended to provide a financial overview of municipal operations.

CITY OF PLYMOUTH, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing and Redevelopment Authority
<u>ASSETS</u>				
Cash and investments	\$ 111,887,463	\$ 27,728,690	\$ 139,616,153	\$ 5,019,063
Restricted cash and investments	4,677,313	-	4,677,313	9,321,060
Accounts receivable	135,523	3,044,649	3,180,172	8,836
Notes receivable	2,275,494	-	2,275,494	1,133,944
Taxes receivable	317,498	-	317,498	5,939
Special assessments receivable	47,840	6,724,094	6,771,934	-
Accrued interest receivable	500,121	95,906	596,027	120,998
Due from other governments	828,630	158,669	987,299	41,644
Internal balances	710,000	(710,000)	-	-
Inventory	145,716	63,672	209,388	-
Prepaid items	832,420	448,592	1,281,012	283,109
Capital assets:				
Nondepreciable:				
Land	41,206,848	3,199,264	44,406,112	1,333,840
Construction in progress	20,357,944	482,105	20,840,049	-
Depreciable (net):				
Buildings	24,768,567	31,299,983	56,068,550	9,402,508
Improvements other than buildings	11,510,124	3,351,919	14,862,043	180,827
Machinery and equipment	13,524,434	4,334,099	17,858,533	250,919
Infrastructure	89,385,219	71,198,182	160,583,401	-
TOTAL ASSETS	\$ 323,111,154	\$ 151,419,824	\$ 474,530,978	\$ 27,102,687
<u>LIABILITIES</u>				
Accounts payable	\$ 2,647,890	\$ 535,941	\$ 3,183,831	\$ 40,571
Contracts payable	1,081,993	83,826	1,165,819	-
Accrued salaries and benefits payable	662,450	127,277	789,727	23,237
Deposits payable	3,883,823	-	3,883,823	138,043
Due to other governments	328,398	457,544	785,942	89,637
Unearned revenue	636,071	216,640	852,711	-
Accrued interest payable	255,643	56,354	311,997	310,890
Noncurrent liabilities:				
Due within one year	8,153,538	920,000	9,073,538	9,694,436
Due in more than one year	12,998,406	4,207,015	17,205,421	12,550,197
Total liabilities	30,648,212	6,604,597	37,252,809	22,847,011
<u>DEFERRED INFLOWS OF RESOURCES</u>				
State aid received for subsequent years	2,230,078	-	2,230,078	-
<u>NET POSITION</u>				
Net investment in capital assets	188,059,959	108,738,537	296,798,496	(1,751,043)
Restricted for:				
Transit	5,063,632	-	5,063,632	-
Lawful Gambling	13,400	-	13,400	-
Debt Service	2,611,395	-	2,611,395	478,224
Housing Projects	1,164,409	-	1,164,409	3,964,204
Park Construction	1,019,843	-	1,019,843	-
Tax Increment	3,305,904	-	3,305,904	-
Cemetery perpetual care:				
Non-expendable	45,860	-	45,860	-
Expendable	140,880	-	140,880	-
Utility trunk	-	24,589,528	24,589,528	-
Water resources	-	3,256,504	3,256,504	-
Unrestricted	88,807,582	8,230,658	97,038,240	1,564,291
Total net position	290,232,864	144,815,227	435,048,091	4,255,676
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 323,111,154	\$ 151,419,824	\$ 474,530,978	\$ 27,102,687

The notes to the financial statements are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 4,743,106	\$ 415,659	\$ 130,115	\$ 59,336
Economic development	653,177	-	-	-
Parks and recreation	8,427,054	1,599,128	21,890	4,665,992
Public safety	16,111,132	4,516,233	2,163,180	92,824
Public service	4,131,078	1,006,900	4,036,168	-
Public works	12,700,181	2,832,663	3,054,022	10,525,072
Interest on long-term debt	592,027	-	-	-
Total governmental activities	<u>47,357,755</u>	<u>10,370,583</u>	<u>9,405,375</u>	<u>15,343,224</u>
Business-type activities:				
Water sewer utility	15,664,025	14,354,114	121,911	2,768,759
Ice center	1,707,923	1,507,855	3,180	-
Water resources	1,996,278	2,705,016	4,317	1,201,599
Solid waste management	921,443	498,520	197,233	-
Field house	324,335	377,821	-	-
Total business-type activities	<u>20,614,004</u>	<u>19,443,326</u>	<u>326,641</u>	<u>3,970,358</u>
Total primary government	<u>\$ 67,971,759</u>	<u>\$ 29,813,909</u>	<u>\$ 9,732,016</u>	<u>\$ 19,313,582</u>
COMPONENT UNIT:				
Housing and Redevelopment Authority	<u>\$ 5,689,111</u>	<u>\$ 1,884,015</u>	<u>\$ 3,047,468</u>	<u>\$ -</u>

General revenues:
Property taxes
Investment earnings
Gain on sale of capital assets
Other
Transfers
Total general revenues and transfers

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing and Redevelopment Authority
\$ (4,137,996)	\$ -	\$ (4,137,996)	\$ -
(653,177)	-	(653,177)	-
(2,140,044)	-	(2,140,044)	-
(9,338,895)	-	(9,338,895)	-
911,990	-	911,990	-
3,711,576	-	3,711,576	-
(592,027)	-	(592,027)	-
<u>(12,238,573)</u>	<u>-</u>	<u>(12,238,573)</u>	<u>-</u>
-	1,580,759	1,580,759	-
-	(196,888)	(196,888)	-
-	1,914,654	1,914,654	-
-	(225,690)	(225,690)	-
-	53,486	53,486	-
-	<u>3,126,321</u>	<u>3,126,321</u>	<u>-</u>
<u>(12,238,573)</u>	<u>3,126,321</u>	<u>(9,112,252)</u>	<u>-</u>
			<u>(757,628)</u>
30,037,743	-	30,037,743	530,723
3,448,379	1,165,251	4,613,630	162,991
144,375	-	144,375	15,345
325,484	-	325,484	-
<u>1,920,275</u>	<u>(1,920,275)</u>	<u>-</u>	<u>-</u>
<u>35,876,256</u>	<u>(755,024)</u>	<u>35,121,232</u>	<u>709,059</u>
23,637,683	2,371,297	26,008,980	(48,569)
<u>266,595,181</u>	<u>142,443,930</u>	<u>409,039,111</u>	<u>4,304,245</u>
<u>\$ 290,232,864</u>	<u>\$ 144,815,227</u>	<u>\$ 435,048,091</u>	<u>\$ 4,255,676</u>

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GOVERNMENTAL FUNDS

GENERAL FUND - The General Fund accounts for resources devoted to financing the general services. These include general government, economic development, parks and recreation, public safety, public service, and public works. Revenues are recorded by source, i.e., taxes, license and permit, intergovernmental, service charges, fines and forfeitures, etc. General Fund expenditures are primarily for day-to-day operating costs and equipment. This fund accounts for all financial transactions not properly accounted for in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for taxes and other revenues set aside for a particular purpose.

Transit System Fund - Revenues from Minnesota Vehicle Excise Tax and fares, and expenditures for the Plymouth Metrolink system are accounted for in this fund.

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for the construction and financing of large capital projects.

General Capital Projects Fund - This fund is used to account for construction costs related to the City's buildings and park improvements.

Improvement Projects Fund - This fund is used to account for expenditures incurred in the construction of certain public improvements such as residential streets, sidewalks, and storm sewers.

Infrastructure Replacement Fund - This fund is used to account for accumulation of resources for major infrastructure repair and replacement. The major source of revenue is property taxes.

Minnesota State Aid Fund - This fund is used to account for the City's allocation of the state collected highway user tax. The allocation is based on population and need for construction of designated state aid streets in the City.

Park Replacement Fund - This fund is used to account for the accumulation of resources for the major repairs and replacement of the City's park facilities and trails.

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**CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)**

	General	Special Revenue	General Capital Projects	Improvement Projects	Capital Project
		Transit System			Infrastructure Replacement
ASSETS					
Cash and investments	\$ 16,905,413	\$ 5,123,695	\$ 9,262,275	\$ 10,993,303	\$ 16,911,552
Restricted cash and investments	-	-	-	-	-
Accounts receivable	96,686	-	-	-	14,417
Notes receivable	-	-	-	-	-
Taxes receivable	261,904	-	-	-	32,286
Special assessments receivable	12,336	-	-	391	-
Accrued interest receivable	70,679	17,779	20,515	38,151	58,657
Due from other funds	3,651	-	-	-	-
Due from other governments	190,608	454,697	100,000	-	-
Inventory	-	-	-	-	-
Prepaid items	474,273	9,929	-	-	-
Advances to other funds	-	-	-	-	-
TOTAL ASSETS	\$ 18,015,550	\$ 5,606,100	\$ 9,382,790	\$ 11,031,845	\$ 17,016,912
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 459,950	\$ 530,658	\$ 32,126	\$ 340,400	\$ 105
Contracts payable	-	-	356,767	725,226	-
Accrued salaries and benefits payable	565,929	1,881	-	-	-
Deposits payable	2,854,581	-	1,028,242	-	-
Due to other funds	-	-	-	-	-
Due to other governments	51,340	-	-	255,273	-
Advances from other funds	-	-	-	-	-
Unearned revenue	420,877	-	-	-	-
Total liabilities	4,352,677	532,539	1,417,135	1,320,899	105
Deferred inflows of resources:					
Unavailable revenue	259,577	-	100,000	391	34,940
State aid received for subsequent years	-	-	-	-	-
Total deferred inflows of resources	259,577	-	100,000	391	34,940
Fund balances (deficits):					
Nonspendable	474,273	9,929	-	-	-
Restricted	-	5,063,632	-	-	-
Assigned	689,028	-	7,865,655	9,710,555	16,981,867
Unassigned	12,239,995	-	-	-	-
Total fund balances (deficits)	13,403,296	5,073,561	7,865,655	9,710,555	16,981,867
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 18,015,550	\$ 5,606,100	\$ 9,382,790	\$ 11,031,845	\$ 17,016,912

The notes to the financial statements are an integral part of this statement.

Minnesota State Aid	Park Replacement	Nonmajor Governmental Funds	Totals	
			2014	2013
\$ 1,681,690	\$ 4,745,260	\$ 15,833,221	\$ 81,456,409	\$ 76,256,148
-	-	4,677,313	4,677,313	4,836,545
-	-	21,884	132,987	133,812
-	-	2,275,494	2,275,494	2,299,144
-	4,863	18,445	317,498	419,311
-	-	35,113	47,840	100,962
5,832	16,447	166,746	394,806	435,446
-	-	-	3,651	-
-	-	65,261	810,566	926,769
-	-	-	-	20
-	-	4,267	488,469	42,797
-	643,802	1,304,497	1,948,299	2,267,206
<u>\$ 1,687,522</u>	<u>\$ 5,410,372</u>	<u>\$ 24,402,241</u>	<u>\$ 92,553,332</u>	<u>\$ 87,718,160</u>
\$ -	\$ -	\$ 230,703	\$ 1,593,942	\$ 1,168,247
-	-	-	1,081,993	522,878
-	-	23,587	591,397	506,622
-	-	1,000	3,883,823	2,696,944
-	-	3,651	3,651	-
-	-	20,507	327,120	559,621
-	1,304,497	-	1,304,497	1,500,295
-	10,005	205,189	636,071	907,544
-	<u>1,314,502</u>	<u>484,637</u>	<u>9,422,494</u>	<u>7,862,151</u>
-	4,359	2,446,653	2,845,920	2,827,841
2,230,078	-	-	2,230,078	-
<u>2,230,078</u>	<u>4,359</u>	<u>2,446,653</u>	<u>5,075,998</u>	<u>2,827,841</u>
-	-	50,127	534,329	88,547
-	-	11,169,606	16,233,238	20,226,915
-	4,091,511	10,251,218	49,589,834	44,478,921
(542,556)	-	-	11,697,439	12,233,785
<u>(542,556)</u>	<u>4,091,511</u>	<u>21,470,951</u>	<u>78,054,840</u>	<u>77,028,168</u>
<u>\$ 1,687,522</u>	<u>\$ 5,410,372</u>	<u>\$ 24,402,241</u>	<u>\$ 92,553,332</u>	<u>\$ 87,718,160</u>

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**CITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 78,054,840

Amounts reported for governmental activities in the statement of net position are different because:

- | | | | |
|---|--|----------------------|---------------|
| 1. Capital assets used in governmental activities are not financial resources, therefore are not reported in the fund statements. | | | |
| Capital assets | | 398,143,844 | |
| Accumulated depreciation | | <u>(206,322,855)</u> | 191,820,989 |
| 2. Long-term liabilities are not due and payable in the current period, therefore are not reported in the fund statements. | | | |
| Bonds payable | | (17,000,000) | |
| Premium / discount on bonds | | (358,177) | |
| Accrued interest payable | | <u>(255,643)</u> | (17,613,820) |
| 3. Unavailable revenue in governmental funds is susceptible to full accrual on government-wide statements. | | | 2,845,920 |
| 4. Internal service funds are used to charge the costs of fleet and building management, management information systems, employee benefits, and other items to individual funds. The assets and liabilities (including capital assets) of the internal services funds are included in governmental activities in the statement of net position. | | | 35,058,737 |
| 5. Internal balances which are the result of the allocation of internal service fund operations to the business-type activities are eliminated on the statement of net position. | | | <u>66,198</u> |

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 290,232,864

The notes to the financial statements are an integral part of this statement.

CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	General	Special Revenue	Capital Project		
		Transit System	General Capital Projects	Improvement Projects	Infrastructure Replacement
REVENUES:					
Property taxes	\$ 23,649,213	\$ -	\$ -	\$ -	\$ 2,808,304
Special assessments	10,835	-	-	-	-
Licenses and permits	4,924,273	-	-	-	154,063
Intergovernmental	2,370,473	3,860,037	-	25,000	67
Charges for services	2,585,479	1,006,581	-	-	839,312
Fines and forfeitures	605,751	-	-	-	-
Contributions	10,575	-	109,000	-	-
Investment earnings (loss)	533,490	123,561	110,511	288,079	461,634
Loan repayments	-	-	-	-	-
Other revenues	215,541	-	13,260	59,068	-
Total revenues	<u>34,905,630</u>	<u>4,990,179</u>	<u>232,771</u>	<u>372,147</u>	<u>4,263,380</u>
EXPENDITURES:					
Current:					
General government	4,454,026	-	37,733	-	-
Economic development	-	-	7,760	-	1,219
Parks and recreation	5,246,423	-	291,851	-	-
Public safety	15,905,651	-	6,950	-	-
Public service	-	3,753,994	-	-	-
Public works	5,298,075	-	-	54,754	-
Interest on interfund advances	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	348,559	96,266	8,113,327	15,108,764	-
Total expenditures	<u>31,252,734</u>	<u>3,850,260</u>	<u>8,457,621</u>	<u>15,163,518</u>	<u>1,219</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>3,652,896</u>	<u>1,139,919</u>	<u>(8,224,850)</u>	<u>(14,791,371)</u>	<u>4,262,161</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	523,989	-	11,542,236	16,821,078	752,377
Transfers out	(3,562,097)	-	(1,572,732)	(168,913)	(2,281,741)
Total other financing sources (uses)	<u>(3,038,108)</u>	<u>-</u>	<u>9,969,504</u>	<u>16,652,165</u>	<u>(1,529,364)</u>
NET CHANGE IN FUND BALANCES	614,788	1,139,919	1,744,654	1,860,794	2,732,797
FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR	<u>12,788,508</u>	<u>3,933,642</u>	<u>6,121,001</u>	<u>7,849,761</u>	<u>14,249,070</u>
FUND BALANCES (DEFICITS) AT END OF YEAR	<u>\$ 13,403,296</u>	<u>\$ 5,073,561</u>	<u>\$ 7,865,655</u>	<u>\$ 9,710,555</u>	<u>\$ 16,981,867</u>

The notes to the financial statements are an integral part of this statement.

Minnesota State Aid	Park Replacement	Nonmajor Governmental Funds	Totals	
			2014	2013
\$ -	\$ 334,974	\$ 3,224,842	\$ 30,017,333	\$ 29,721,263
-	-	64,815	75,650	81,986
-	-	-	5,078,336	4,231,409
6,671,191	8	254,264	13,181,040	5,657,898
-	14,716	1,232,723	5,678,811	4,482,420
-	-	-	605,751	683,261
-	-	1,181,730	1,301,305	2,178,394
59,262	179,294	769,259	2,525,090	(1,092,849)
-	-	7,605	7,605	7,380
-	-	3,224	291,093	226,251
<u>6,730,453</u>	<u>528,992</u>	<u>6,738,462</u>	<u>58,762,014</u>	<u>46,177,413</u>
-	-	-	4,491,759	4,579,483
-	-	663,648	672,627	345,562
-	-	1,776,273	7,314,547	6,821,299
-	-	-	15,912,601	15,014,462
-	-	266,555	4,020,549	4,138,771
-	-	-	5,352,829	5,183,915
-	45,009	-	45,009	50,712
-	-	1,345,000	1,345,000	1,320,000
-	-	646,318	646,318	726,674
-	-	24,400	23,691,316	7,788,171
-	<u>45,009</u>	<u>4,722,194</u>	<u>63,492,555</u>	<u>45,969,049</u>
<u>6,730,453</u>	<u>483,983</u>	<u>2,016,268</u>	<u>(4,730,541)</u>	<u>208,364</u>
-	720,000	430,268	30,789,948	12,376,914
<u>(9,086,892)</u>	<u>(1,390,704)</u>	<u>(6,969,656)</u>	<u>(25,032,735)</u>	<u>(9,060,757)</u>
<u>(9,086,892)</u>	<u>(670,704)</u>	<u>(6,539,388)</u>	<u>5,757,213</u>	<u>3,316,157</u>
(2,356,439)	(186,721)	(4,523,120)	1,026,672	3,524,521
<u>1,813,883</u>	<u>4,278,232</u>	<u>25,994,071</u>	<u>77,028,168</u>	<u>73,503,647</u>
<u>\$ (542,556)</u>	<u>\$ 4,091,511</u>	<u>\$ 21,470,951</u>	<u>\$ 78,054,840</u>	<u>\$ 77,028,168</u>

**CITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

NET INCREASE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,026,672

Amounts reported for governmental activities in the statement of activities are different because:

1. Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 23,860,232	
Assets contributed to internal service funds	(122,274)	
Assets of governmental activities reassigned to proprietary funds	(915,813)	
Depreciation expense	<u>(10,007,182)</u>	12,814,963

2. The net effect of various transactions involving capital assets (i.e. sales and dispositions) is to decrease net position. (6,999)

3. Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. (36,921)

4. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments		1,345,000
----------------------	--	-----------

5. Interest expense in the government-wide statement of activities differs from the amount reported in governmental funds because additional accrued interest was calculated for bonds payable, and additional expense was recognized on the amortization of bond discounts and premiums which are expended in the governmental fund statements.

Accrued interest payable	17,980	
Amortization of bond premiums and discounts	<u>36,311</u>	54,291

6. Capital assets contributed to the City by developers are not current financial resources, therefore are not reported in the governmental funds statements. 6,533,815

7. Governmental funds report outlays of housing loans as expenditures while in the government-wide statement the disbursement increases notes receivable in the statement of net position and does not affect the statement of activities. 55,000

8. Internal service funds are used to charge the cost certain activities, such as of insurance, fleet and building management, management information systems, employee benefits, and other items to individual funds. This amount represents the change in net position of the internal service funds, which are reported with governmental activities. 1,851,862

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 23,637,683

The notes to the financial statements are an integral part of this statement.

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	2014			2013
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property Taxes	\$ 23,973,179	\$ 23,649,213	\$ (323,966)	\$ 23,466,327
Special assessments	3,500	10,835	7,335	10,173
Licenses and permits	3,105,625	4,924,273	1,818,648	4,115,220
Intergovernmental	2,014,834	2,370,473	355,639	2,694,777
Charges for services	1,632,042	2,585,479	953,437	2,184,559
Fines and forfeitures	766,500	605,751	(160,749)	683,261
Contributions	1,500	10,575	9,075	5,937
Investment earnings (loss)	90,000	533,490	443,490	(355,662)
Other revenues	80,800	215,541	134,741	185,712
Total revenues	<u>31,667,980</u>	<u>34,905,630</u>	<u>3,237,650</u>	<u>32,990,304</u>
EXPENDITURES:				
Current:				
General government	4,394,488	4,454,026	(59,538)	4,579,483
Parks and recreation	5,393,896	5,246,423	147,473	5,027,083
Public safety	16,060,772	15,905,651	155,121	15,014,462
Public works	5,672,638	5,298,075	374,563	4,948,807
Capital outlay	314,976	348,559	(33,583)	90,250
Total expenditures	<u>31,836,770</u>	<u>31,252,734</u>	<u>584,036</u>	<u>29,660,085</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(168,790)</u>	<u>3,652,896</u>	<u>3,821,686</u>	<u>3,330,219</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	303,290	523,989	220,699	646,529
Transfers out	<u>(134,500)</u>	<u>(3,562,097)</u>	<u>(3,427,597)</u>	<u>(3,510,829)</u>
Total other financing sources (uses)	<u>168,790</u>	<u>(3,038,108)</u>	<u>(3,206,898)</u>	<u>(2,864,300)</u>
NET CHANGE IN FUND BALANCE	-	614,788	614,788	465,919
FUND BALANCE AT BEGINNING OF YEAR	<u>12,788,508</u>	<u>12,788,508</u>	-	<u>12,322,589</u>
FUND BALANCE AT END OF YEAR	<u>\$ 12,788,508</u>	<u>\$ 13,403,296</u>	<u>\$ 614,788</u>	<u>\$ 12,788,508</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLYMOUTH, MINNESOTA
TRANSIT SYSTEM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	2014			2013
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 3,422,800	\$ 3,860,037	\$ 437,237	\$ 2,595,515
Charges for services	1,100,000	1,006,581	(93,419)	1,029,169
Investment earnings (loss)	35,000	123,561	88,561	(62,892)
Total revenues	<u>4,557,800</u>	<u>4,990,179</u>	<u>432,379</u>	<u>3,561,792</u>
EXPENDITURES:				
Current:				
Public service:				
Personal services	180,081	114,916	65,165	176,001
Materials and supplies	2,600	1,594	1,006	2,598
Contractual services	4,251,488	3,637,484	614,004	3,665,833
Capital outlay	-	96,266	(96,266)	-
Total expenditures	<u>4,434,169</u>	<u>3,850,260</u>	<u>583,909</u>	<u>3,844,432</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>123,631</u>	<u>1,139,919</u>	<u>1,016,288</u>	<u>(282,640)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(123,631)</u>	<u>-</u>	<u>123,631</u>	<u>(19,314)</u>
NET CHANGE IN FUND BALANCE	-	1,139,919	1,139,919	(301,954)
FUND BALANCE AT BEGINNING OF YEAR	<u>3,933,642</u>	<u>3,933,642</u>	<u>-</u>	<u>4,235,596</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,933,642</u>	<u>\$ 5,073,561</u>	<u>\$ 1,139,919</u>	<u>\$ 3,933,642</u>

The notes to the financial statements are an integral part of this statement.



PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs are to be recovered primarily through user charges.

Water Sewer Utility Fund - The Water Sewer Utility Fund provides municipal water and sanitary sewer service to the community. The Fund finances the operations, maintenance and construction of the water and sanitary sewer systems.

Ice Center Fund - The Ice Center Fund provides ice arena facility services to the community through hockey, figure skating and public skating programs.

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CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 19,705,881	\$ 943,396	\$ 7,079,413
Restricted cash and investments	-	-	-
Accounts receivable	2,907,218	126,270	11,161
Special assessments receivable	1,469,453	-	-
Accrued interest receivable	68,344	3,262	24,300
Due from other governments	126,299	26,150	6,220
Inventory	57,342	6,330	-
Prepaid items	439,880	1,557	7,155
Total current assets	<u>24,774,417</u>	<u>1,106,965</u>	<u>7,128,249</u>
Noncurrent assets:			
Special assessments receivable	5,254,641	-	-
Capital assets:			
Land	2,074,063	1,077,650	47,551
Buildings	40,580,263	12,363,762	1,306,187
Improvements other than buildings	1,342,675	1,234,484	2,660,668
Machinery and equipment	13,447,370	1,064,706	403,664
Infrastructure	97,049,803	-	9,239,427
Construction in progress	259,314	-	222,791
Total capital assets	<u>154,753,488</u>	<u>15,740,602</u>	<u>13,880,288</u>
Less accumulated depreciation	<u>(61,657,812)</u>	<u>(6,692,607)</u>	<u>(2,158,407)</u>
Net capital assets	<u>93,095,676</u>	<u>9,047,995</u>	<u>11,721,881</u>
Total noncurrent assets	<u>98,350,317</u>	<u>9,047,995</u>	<u>11,721,881</u>
TOTAL ASSETS	<u><u>\$ 123,124,734</u></u>	<u><u>\$ 10,154,960</u></u>	<u><u>\$ 18,850,130</u></u>

(Continued...)

				Governmental Activities - Internal Service Funds	
Totals		Totals			
2014	2013	2014	2013		
\$ 27,728,690	\$ 27,648,447	\$ 30,431,054	\$ 29,338,626		
-	5,006,917	-	-		
3,044,649	3,213,957	2,536	12,585		
1,469,453	1,464,507	-	-		
95,906	146,485	105,315	101,103		
158,669	131,402	18,064	24,334		
63,672	110,556	145,716	149,321		
448,592	428,971	343,951	229,892		
<u>33,009,631</u>	<u>38,151,242</u>	<u>31,046,636</u>	<u>29,855,861</u>		
5,254,641	5,428,471	-	-		
3,199,264	3,199,264	33,520	33,520		
54,250,212	54,250,212	636,652	578,661		
5,237,827	5,082,363	697,585	633,671		
14,915,740	14,464,728	18,538,354	18,573,231		
106,289,230	100,233,499	-	-		
482,105	573,507	670,545	-		
184,374,378	177,803,573	20,576,656	19,819,083		
(70,508,826)	(65,581,198)	(11,644,509)	(12,019,387)		
<u>113,865,552</u>	<u>112,222,375</u>	<u>8,932,147</u>	<u>7,799,696</u>		
<u>119,120,193</u>	<u>117,650,846</u>	<u>8,932,147</u>	<u>7,799,696</u>		
<u>\$ 152,129,824</u>	<u>\$ 155,802,088</u>	<u>\$ 39,978,783</u>	<u>\$ 37,655,557</u>		

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 DECEMBER 31, 2014
 (with comparative totals for December 31, 2013)**

(Continued from previous page)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 301,813	\$ 65,045	\$ 169,083
Contracts payable	76,866	-	6,960
Accrued salaries and benefits payable	77,009	20,877	29,391
Compensated absences payable	-	-	-
Due to other governments	426,497	4,707	26,340
Unearned revenue	35,589	107,267	73,784
Accrued interest payable	56,354	-	-
Advances from other funds	-	124,955	-
Revenue bonds payable	920,000	-	-
Total current liabilities	<u>1,894,128</u>	<u>322,851</u>	<u>305,558</u>
Noncurrent liabilities:			
OPEB (net)	-	-	-
Compensated absences payable	-	-	-
Advances from other funds	-	518,847	-
Revenue bonds payable (net of unamortized premiums/discounts)	4,207,015	-	-
Total noncurrent liabilities	<u>4,207,015</u>	<u>518,847</u>	<u>-</u>
Total liabilities	<u>6,101,143</u>	<u>841,698</u>	<u>305,558</u>
NET POSITION			
Net investment in capital assets	87,968,661	9,047,995	11,721,881
Restricted for:			
Utility trunk	24,516,313	-	-
Water resources	-	-	3,226,566
Unrestricted	4,538,617	265,267	3,596,125
Total net position	<u>117,023,591</u>	<u>9,313,262</u>	<u>18,544,572</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 123,124,734</u>	<u>\$ 10,154,960</u>	<u>\$ 18,850,130</u>

Total net position - Enterprise funds
 Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
 Net position of business-type activities

The notes to the financial statements are an integral part of this statement.

				Governmental Activities - Internal Service Funds	
Totals		Totals			
2014	2013	2014	2013		
\$ 535,941	\$ 363,067	\$ 1,053,948	\$ 852,637		
83,826	88,907	-	-		
127,277	106,849	71,053	60,057		
-	-	1,768,538	1,596,629		
457,544	400,761	1,278	4,714		
216,640	239,729	-	5,202		
56,354	154,604	-	-		
124,955	123,109	-	-		
920,000	5,925,000	-	-		
<u>2,522,537</u>	<u>7,402,026</u>	<u>2,894,817</u>	<u>2,519,239</u>		
-	-	1,288,699	1,135,565		
-	-	736,530	892,217		
518,847	643,802	-	-		
4,207,015	5,147,793	-	-		
<u>4,725,862</u>	<u>5,791,595</u>	<u>2,025,229</u>	<u>2,027,782</u>		
<u>7,248,399</u>	<u>13,193,621</u>	<u>4,920,046</u>	<u>4,547,021</u>		
108,738,537	106,156,499	8,932,147	7,799,696		
24,516,313	23,411,990	-	-		
3,226,566	3,493,634	-	-		
8,400,009	9,546,344	26,126,590	25,308,840		
<u>144,881,425</u>	<u>142,608,467</u>	<u>35,058,737</u>	<u>33,108,536</u>		
<u>\$ 152,129,824</u>	<u>\$ 155,802,088</u>	<u>\$ 39,978,783</u>	<u>\$ 37,655,557</u>		
\$ 144,881,425	\$ 142,608,467				
(66,198)	(164,537)				
<u>\$ 144,815,227</u>	<u>\$ 142,443,930</u>				

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
OPERATING REVENUES:			
Charges for services	\$ 14,294,401	\$ 1,505,603	\$ 3,462,456
Other fees	31,960	-	91,801
Total operating revenue	<u>14,326,361</u>	<u>1,505,603</u>	<u>3,554,257</u>
OPERATING EXPENSES:			
Personal services	2,352,305	545,731	866,545
Materials and supplies	913,539	129,892	154,526
Insurance claims	-	-	-
Contractual services	8,142,131	601,151	1,882,426
Depreciation	4,195,144	444,684	367,144
Total operating expenses	<u>15,603,119</u>	<u>1,721,458</u>	<u>3,270,641</u>
OPERATING INCOME (LOSS)	<u>(1,276,758)</u>	<u>(215,855)</u>	<u>283,616</u>
NONOPERATING REVENUES (EXPENSES):			
Investment earnings (loss)	909,830	28,267	227,154
Intergovernmental	121,911	-	201,550
Gain on disposal of capital assets	-	28,500	-
Contributions	-	3,180	-
Other	27,753	2,252	27,100
Interest expense	(134,121)	(11,504)	-
Total nonoperating revenues (expenses)	<u>925,373</u>	<u>50,695</u>	<u>455,804</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(351,385)</u>	<u>(165,160)</u>	<u>739,420</u>
CAPITAL CONTRIBUTIONS	6,629,802	-	1,201,599
TRANSFERS IN	-	-	-
TRANSFERS OUT	<u>(5,356,485)</u>	<u>(27,927)</u>	<u>(396,906)</u>
CHANGES IN NET POSITION	921,932	(193,087)	1,544,113
NET POSITION AT BEGINNING OF YEAR	<u>116,101,659</u>	<u>9,506,349</u>	<u>17,000,459</u>
NET POSITION AT END OF YEAR	<u>\$ 117,023,591</u>	<u>\$ 9,313,262</u>	<u>\$ 18,544,572</u>

Change in net position - Enterprise funds
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net position of business-type activities

The notes to the financial statements are an integral part of this statement.

				Governmental Activities - Internal Service Funds			
Totals				Totals			
2014	2013			2014	2013		
\$ 19,262,460	\$ 19,873,153	\$		\$ 11,274,748	\$ 10,300,553		
123,761	146,843			210,690	131,376		
<u>19,386,221</u>	<u>20,019,996</u>			<u>11,485,438</u>	<u>10,431,929</u>		
3,764,581	3,887,129			5,142,197	4,789,547		
1,197,957	1,296,629			1,823,659	1,112,501		
-	-			404,613	288,374		
10,625,708	10,086,979			2,199,958	2,070,873		
5,006,972	4,713,428			1,356,868	1,393,390		
<u>20,595,218</u>	<u>19,984,165</u>			<u>10,927,295</u>	<u>9,654,685</u>		
(1,208,997)	35,831			558,143	777,244		
1,165,251	(67,634)			959,718	(459,049)		
323,461	434,126			44,486	8,716		
28,500	414			144,375	91,181		
3,180	11,730			-	-		
57,105	45,378			34,391	36,534		
(145,625)	(365,574)			-	-		
<u>1,431,872</u>	<u>58,440</u>			<u>1,182,970</u>	<u>(322,618)</u>		
222,875	94,271			1,741,113	454,626		
7,831,401	7,160,244			184,983	168,350		
-	28,581			289,832	980,310		
<u>(5,781,318)</u>	<u>(3,908,920)</u>			<u>(265,727)</u>	<u>(416,128)</u>		
2,272,958	3,374,176			1,950,201	1,187,158		
<u>142,608,467</u>	<u>139,234,291</u>			<u>33,108,536</u>	<u>31,921,378</u>		
<u>\$ 144,881,425</u>	<u>\$ 142,608,467</u>	<u>\$</u>		<u>\$ 35,058,737</u>	<u>\$ 33,108,536</u>		
\$ 2,272,958	\$ 3,374,176						
98,339	18,777						
<u>\$ 2,371,297</u>	<u>\$ 3,392,953</u>						

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers or users	\$ 14,298,640	\$ 1,628,683	\$ 3,581,683
Payments to suppliers	(8,846,785)	(722,421)	(1,997,541)
Payments to employees	(2,341,557)	(541,428)	(861,168)
Other operating revenue	27,753	2,252	27,100
Net cash flows from operating activities	<u>3,138,051</u>	<u>367,086</u>	<u>750,074</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenues	121,911	-	201,550
Contributions	-	3,180	-
Transfers in from other funds	-	-	-
Transfers out to other funds	(5,356,485)	(27,927)	(396,906)
Net cash flows from noncapital financing activities	<u>(5,234,574)</u>	<u>(24,747)</u>	<u>(195,356)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(1,420,030)	(122,464)	(1,024,016)
Contributions	-	-	-
Special assessments for future construction	3,907,734	-	-
Proceeds from sale of capital assets	-	28,500	-
Principal paid on capital debt	(5,925,000)	-	-
Payment on advances from other funds	-	(123,109)	-
Interest paid on capital debt	(253,149)	(11,504)	-
Net cash flows from capital and related financing activities	<u>(3,690,445)</u>	<u>(228,577)</u>	<u>(1,024,016)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings (loss)	959,942	27,764	228,124
Purchase/Sale of investments	5,006,917	-	-
Net cash flows from investing activities	<u>5,966,859</u>	<u>27,764</u>	<u>228,124</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	179,891	141,526	(241,174)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,525,990	801,870	7,320,587
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 19,705,881	\$ 943,396	\$ 7,079,413

(Continued...)

				Governmental Activities - Internal Service Funds			
Totals				Totals			
2014	2013			2014	2013		
\$ 19,509,006	\$ 20,086,061	\$		11,492,521	\$		10,387,541
(11,566,747)	(11,515,731)			(4,187,675)			(4,155,826)
(3,744,153)	(3,873,368)			(5,110,945)			(4,503,206)
57,105	45,378			34,391			63,717
<u>4,255,211</u>	<u>4,742,340</u>			<u>2,228,292</u>			<u>1,792,226</u>
323,461	434,126			44,486			8,716
3,180	11,730			-			-
-	28,581			289,832			980,310
<u>(5,781,318)</u>	<u>(3,908,920)</u>			<u>(265,727)</u>			<u>(416,128)</u>
<u>(5,454,677)</u>	<u>(3,434,483)</u>			<u>68,591</u>			<u>572,898</u>
(2,566,510)	(7,969,232)			(2,658,210)			(1,817,039)
-	3,784,703			184,983			168,350
3,907,734	2,823,090			-			-
28,500	414			313,266			143,564
(5,925,000)	(940,000)			-			-
(123,109)	(121,289)			-			-
<u>(264,653)</u>	<u>(445,243)</u>			<u>-</u>			<u>-</u>
<u>(4,943,038)</u>	<u>(2,867,557)</u>			<u>(2,159,961)</u>			<u>(1,505,125)</u>
1,215,830	(125,211)			955,506			(472,627)
5,006,917	194,992			-			-
<u>6,222,747</u>	<u>69,781</u>			<u>955,506</u>			<u>(472,627)</u>
80,243	(1,489,919)			1,092,428			387,372
<u>27,648,447</u>	<u>29,138,366</u>			<u>29,338,626</u>			<u>28,951,254</u>
<u>\$ 27,728,690</u>	<u>\$ 27,648,447</u>	<u>\$</u>		<u>30,431,054</u>	<u>\$</u>		<u>29,338,626</u>

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

(Continued from previous page)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
RECONCILIATION OF OPERATING			
INCOME (LOSS) TO NET CASH FLOWS			
FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,276,758)	\$ (215,855)	\$ 283,616
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	4,195,144	444,684	367,144
Other revenue	27,753	2,252	27,100
Changes in assets and liabilities:			
Accounts receivable	69,923	96,983	2,402
Special assessments receivable	3,833	-	-
Due from other governments	(14,900)	(26,150)	13,783
Inventory	45,537	1,345	-
Prepaid expenses	(16,089)	(50)	(3,482)
Accounts payable	111,391	7,361	54,122
Due to other governments	68,046	(34)	(11,229)
Accrued salaries payable	10,748	4,303	5,377
OPEB	-	-	-
Compensated absences payable	-	-	-
Unearned revenue	(86,577)	52,247	11,241
Total adjustments	<u>4,414,809</u>	<u>582,941</u>	<u>466,458</u>
Net cash flows from operating activities	<u>\$ 3,138,051</u>	<u>\$ 367,086</u>	<u>\$ 750,074</u>
NONCASH INVESTING, CAPITAL AND			
FINANCING ACTIVITIES:			
Contributions receivable from others	-	-	-
Contributions of capital assets from City funds	667,584	-	248,229
Contribution of capital asset from others	2,219,535	-	953,370
Trade-in values on capital asset purchases	-	-	-
Transfer of capital assets to other City funds	-	-	-
Increase (decrease) in capital assets from accounts and contracts payable	26,964	-	(32,045)

The notes to the financial statements are an integral part of this statement.

				Governmental Activities - Internal Service Funds	
Totals		Totals			
2014	2013	2014	2013		
\$ (1,208,997)	\$ 35,831	\$ 558,143	\$ 777,244		
5,006,972	4,713,428	1,356,868	1,393,390		
57,105	45,378	34,391	36,534		
169,308	82,049	10,049	(12,585)		
3,833	37,349	-	-		
(27,267)	(43,783)	6,270	(12,860)		
46,882	(54,605)	3,605	(15,939)		
(19,621)	(21,400)	(114,059)	(38,088)		
172,874	(119,803)	201,311	(632,084)		
56,783	63,685	(3,436)	(3,218)		
20,428	13,761	10,996	2,982		
-	-	153,134	190,337		
-	-	16,222	102,307		
(23,089)	(9,550)	(5,202)	4,206		
<u>5,464,208</u>	<u>4,706,509</u>	<u>1,670,149</u>	<u>1,014,982</u>		
<u>\$ 4,255,211</u>	<u>\$ 4,742,340</u>	<u>\$ 2,228,292</u>	<u>\$ 1,792,226</u>		
-	1,243,000	-	-		
915,813	2,655,207	197,451	255,972		
3,172,905	411,394	-	-		
-	-	222,673	101,860		
-	-	-	(11,845)		
(5,081)	(216,910)	-	(137,431)		

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NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Plymouth, Minnesota (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles), as applied to governmental units by the Governmental Accounting Standards Board (GASB). The City's significant accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The City of Plymouth, Minnesota (the City) was formed and operates pursuant to applicable Minnesota laws and statutes. On January 1, 1993, the City adopted a home rule charter and operates under a council-manager form of government. The council is composed of a mayor, four ward council members, and two at-large council members.

As required by accounting principles generally accepted in the United States of America (generally accepted accounting principles), these financial statements present the City of Plymouth (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Discretely Presented Component Units

The component unit columns in the government-wide statements include the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

The Housing and Redevelopment Authority (HRA) of Plymouth is a separate legal entity governed by a board, which is appointed by the City Council. The Council reviews and approves the HRA tax levies and budgets, and the City provides major community development financing for HRA activities. Debt issued for HRA activities are City general obligation debt issues. The HRA is established to provide housing and redevelopment assistance to the City's citizens and to carry out certain housing and redevelopment projects and programs using City employees, which enables the City to meet federal and state housing requirements. The HRA provides assistance through general taxes and administers the City's Community Development Block Grant program.

The HRA operates the Section 8 rental subsidy program as a direct recipient from the Department of Housing and Urban Development. The HRA operates Plymouth Towne Square, a 99-unit senior independent living community for moderate and low-income Plymouth citizens. In addition, the HRA operates Vicksburg Crossing, a 96-unit senior independent community of which a portion of the units are available for moderate and low-income Plymouth citizens, and the remainder are market rate. Rental subsidies are made to tenants by a portion of the HRA property tax levy.

As the City appoints the HRA commission and has the ability to hire or dismiss those persons responsible for its day-to-day operations, the HRA is considered a component unit of the City.

The HRA does not publish separate financial statements. The financial statement are included in this report.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The government-wide Statement of Activities reflect the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, service, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separated columns in the fund financial statements. Each financial presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Major Governmental Funds – The City reports the following major governmental funds:

- *General Fund* – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. This fund records revenues such as property tax revenues, licenses and permits, fines and penalties, intergovernmental revenues, and investment earnings. Most of the current day-to-day operations of the governmental units are financed from this fund.
- *Special Revenue Fund*
 - *Transit System Fund* – Revenues from the Minnesota Vehicle Excise Tax and fares, and expenditures for the Plymouth Metrolink system are accounted for in this fund.
- *Capital Project Funds*
 - *General Capital Projects Fund* – Used to account for construction costs related to the City’s buildings and park improvements.
 - *Improvement Projects Fund* – Used to account for expenditures incurred in the construction of certain public improvements such as residential streets, sidewalks, and storm sewers.
 - *Infrastructure Replacement Fund* – This fund is used to account for accumulation of resources for major infrastructure repair and replacement.
 - *Minnesota State Aid Fund* – This fund is used to account for the City’s allocation of the state collected highway user tax. The allocation is based on population and need for construction of designated state aid streets in the City.
 - *Park Replacement Fund* – This fund is used to account for the accumulation of resources for the major repairs and replacement of park facilities and trails.

Major Proprietary Funds – The City reports the following major proprietary funds:

- *Water Sewer Utility Fund* – Used to account for providing water and sewer services to the City’s residents.
- *Ice Center Fund* – Used to account for the operations of the City’s ice center.

Other Funds – The City reports the following other funds:

- *Internal Service Funds* - Used to account for central equipment, public facilities, information technology, risk management, employee benefits, and resource planning services provided to other departments of the City on a cost-reimbursement basis.

The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Governmental Funds:

- *Measurement Focus* - Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources (if any), current liabilities, and deferred inflows generally are included on the balance sheet. Reported fund balance is considered a measure of “available spendable resources”. Governmental fund operating statements represent increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- *Basis of Accounting* - Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.
- *Revenues* - Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes, including delinquent taxes received within 60 days after year-end to be available. Licenses and permits, fines and forfeitures, intergovernmental revenues, charges for services, and investment earnings are considered to be available if they are collected within 60 days. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.
- *Unavailable Revenues* - unavailable revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when all revenue recognition criteria are met, the liability for unavailable revenue is removed and revenue is recognized.
- *Expenditures* - Expenditures generally are recorded when a liability is incurred, defined as accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, compensated absences, and other postemployment benefits, are recorded only when payment is due.

Proprietary Funds:

- *Measurement Focus* - Proprietary funds are accounted for on a flow of economic resources measurement focus. This means that all assets, including capital assets, and all liabilities, including long-term liabilities, associated with fund activity are included on the balance sheets. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.
- *Basis of Accounting* - Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end.
- *Operating versus Non-operating Items* - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the City’s enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments of other charges between the City’s water sewer utility function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported from the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION, OR EQUITY

1. Cash and Investments

Deposits and Investments

The cash balances of the City and its component unit funds are pooled and invested for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at year end, based on market prices. The City has the ability and intent to hold its investments to maturity. The individual funds' portions of the pool's fair value are presented as "Cash and investments". Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash and Cash Equivalents

The City considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits. In addition, because the pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Restricted Cash and Investments

Restricted cash and investments represent assets held in escrow for specific purposes. It represents crossover refunding bond proceeds placed in an escrow account pending the call of the refunded bonds. Earnings on these investments are allocated directly to these funds.

2. Receivables and Payables

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet and are short-term in nature. Advances to other funds and advances from other funds are considered long-term receivables/payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority. The County spreads all levies over taxable property.

Within the governmental fund financial statements, property taxes are accrued and recognized as revenue, excluding delinquent taxes received over 60 days after year-end. Taxes that remain unpaid are classified as delinquent taxes receivable and are fully offset by unavailable revenue, because they are not known to be available to finance current expenditures. An allowance for abated taxes has been recorded as a reduction in property tax revenue and unavailable revenue. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements. Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. Personal property taxes may be paid on May 15. The county provides tax settlements to cities and other taxing districts four times a year, in June, July, December, and January of the following year.

Special Assessments are levied against benefited properties for the cost, or a portion of the cost, of special assessment improvement projects in accordance with Minnesota Statutes. These assessments are collectible by the City over a term of years. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to prepay future installments without interest or prepayment penalties.

Within the governmental fund financial statements, special assessment principal installments are recognized as revenue when they become measurable and available. Special assessment interest revenues are recognized when due, net of delinquencies. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Trade receivables include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables account for the majority of these receivables. The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

The City and the HRA, in efforts to further develop the community, lend funds to certain developers for specific projects and to homeowners for first-time home buyer purchases as notes receivable. The disbursement under the notes are recorded as current expenditures. The note receivable is also recorded with a corresponding unavailable revenue amount. As the notes are repaid, the repayments are recorded as current revenue, and the notes receivable and unavailable revenue amounts are reduced accordingly. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements.

As part of the rehabilitation program, interest-free loans are given to low and moderate-income households to maintain, repair, and improve their homes. The loan disbursements are recorded as current expenditures. Payments are deferred and loans are forgiven after 20 years if the homeowner continues to own and occupy the home. The HRA does not recognize notes receivable and corresponding unavailable revenue on these loans. If the property is sold within 20 years, the loan is required to be repaid and is recorded as current revenue.

Receivables not expected to be collected within one year are notes receivable of \$2,259,822, interest on notes receivable of \$121,634 and unavailable special assessments receivable of \$5,345,958.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of inventory is recorded as an expenditure when consumed (i.e., consumption method) in the Governmental Fund types.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Land and construction in progress are not depreciated. Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	5 - 50
Improvements other than buildings	10 - 25
Machinery and equipment	2 - 20
Infrastructure	15 - 100

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

5. *Compensated Absences*

Employees accrue *vacation/annual leave* at increments based on years of service. Such pay is reflected as a liability in the employee benefit fund as well as the government-wide statement of net position. The related expenditures/expenses are reflected on the fund statements based on each employees' distribution. The City compensates all employees upon termination for unused leave up to a maximum of 480 hours.

Employees accrue *extended illness leave* up to a maximum lifetime accrual of 600 hours. They are entitled to draw upon their banks for approved leave extending beyond three weeks in duration. This type of leave is expended/expensed as it is paid from all funds. Employees are not compensated upon termination for remaining balances.

6. *Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

7. *Interfund Activity*

Interfund services provided and used are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

8. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applied to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grants, and other miscellaneous receivables not received within 60 days. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item, imposed nonexchange revenue transactions, state aid received for subsequent years, is deferred and recognized as an inflow of resources in the period that the resources are required to be used. This item is reported both in the governmental fund balance sheet and the government-wide statement of net position as a deferred inflow of resources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of amounts that can be used only for specific purposes determined by a formal action of the government’s high level of decision-making authority. The Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to Council Resolution, the City Manager, Administrative Services Director, or Finance Manager are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to first use restricted resources, then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the City’s policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

10. Use of Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

11. Comparative Data/Reclassifications

Comparative total information for the prior year has been presented only for the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year’s presentation.

12. Net Position

Net position represent the difference between assets plus deferred outflows of resources (if any) and deferred inflows of resources (if any) plus liabilities. Net position is displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.
- b. Restricted net position – Net position whose use is limited by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- c. Unrestricted net position – All other net position that does not meet the definition of “net investment in capital assets” or “restricted”.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General and certain Special Revenue Funds.

Budgeted amounts are as originally adopted, or as amended by the City Council. All budgetary amendments and transfers require approval of the City Council. Budgeted expenditure appropriations lapse at year-end.

Encumbrance accounting is employed in Governmental Funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the resources will be reappropriated and honored during the subsequent year.

Legal Compliance – Budgets

The City follows the procedures below in establishing the budgetary data reflected in the enclosed financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. The City Council may authorize transfers of budgeted amounts between city funds.
5. The City legally adopts budgets and formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue Funds (Recreation Fund, Community Development Block Grant Fund, and Transit System Fund).

Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through bond indenture provisions, or for Capital Projects Funds because budgetary control is alternatively achieved through the use of project controls.

6. The legal level of budgetary control is at the fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., salaries, wages, and benefits; material, supplies, and services; capital outlay) within each activity. This means that General Fund and certain Special Revenue Fund individual line items may overspend budgeted amounts without council approval as long as the actual fund expenditures do not exceed the total fund budget.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the Recreation Special Revenue Fund by \$33,237, which were financed with revenues in excess of budget.

C. DEFICIT FUND EQUITY

The following funds had a deficit fund equity as of December 31, 2014. The Minnesota State Aid fund deficit will be eliminated in 2015 when certain deferred inflows of resources are recognized. Vicksburg Crossing’s deficit will be eliminated over time as the occupancy rate increases and debt service obligations and depreciation decrease.

<u>Fund</u>	<u>Fund Equity</u>
Minnesota State Aid	(542,556)
Component Unit - Vicksburg Crossing	(1,693,679)

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 3: CASH AND INVESTMENTS

A. COMPONENTS OF CASH AND INVESTMENTS

Cash and investments at year-end consist of the following:

	Primary <u>Government</u>	Component <u>Unit</u>	<u>Total</u>
Deposits	\$ 6,641,666	\$ 663,884	\$ 7,305,550
Investments	137,646,010	13,676,239	151,322,249
Cash on hand	<u>5,790</u>	<u>-</u>	<u>5,790</u>
Total	<u>\$ 144,293,466</u>	<u>\$ 14,340,123</u>	<u>\$ 158,633,589</u>

Cash and investments are presented in the financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 139,616,153	\$ 5,019,063	\$ 144,635,216
Restricted cash and investments	<u>4,677,313</u>	<u>9,321,060</u>	<u>13,998,373</u>
Total cash and investments	<u>\$ 144,293,466</u>	<u>\$ 14,340,123</u>	<u>\$ 158,633,589</u>

B. DEPOSITS

In accordance with applicable Minnesota Statutes, the City and its component unit maintain deposits at depository banks authorized by the City Council, including checking and savings accounts.

The following is considered the most significant risk associated with deposits:

Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the deposits may be lost.

Minnesota Statutes require that all city deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City has no additional deposit policies addressing custodial credit risk for deposits.

At year-end, the carrying amount of the City’s deposits was \$6,641,666 while the balance on the bank records was \$7,567,225. The carrying amount of the component unit’s deposits was \$663,884 while the balance on the bank records was \$676,448. At December 31, 2014, all deposits were fully covered by federal depository insurance or by collateral held by the City’s agent in the City’s name.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 3: CASH AND INVESTMENTS - CONTINUED

C. INVESTMENTS

The City is authorized by Minnesota Statute Chapter 118A, and the City's investment policy, to invest in the following:

1. Bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by Congress.
2. State and local securities that consist of the following:
 - any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating agency;
 - any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating agency; or
3. Commercial paper, with a maturity of 270 days or less, issued by United States corporations or their Canadian subsidiaries that is rated highest tier by at least two nationally recognized rating agencies, and is not rated less than highest tier by any nationally recognized rating agency.
4. Repurchase agreements with qualified institutions backed by collateral consisting of the foregoing.
5. Securities lending agreements with qualified financial institutions.
6. Banker's acceptances of United States banks that are eligible for purchase by the Federal Reserve System.
7. Money market mutual funds meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized rating organization.

The City and its component unit have the following cash and investment balances at year end:

Investment Type	Interest Risk - Maturity in Years				Total
	Less than 1	1 to 5	6 to 10	11 to 15	
US Government Securities:					
US Treasury Securities	\$ 9,321,059	\$ -	\$ -	\$ -	\$ 9,321,059
US Small Business Administration	-	-	1,035,180	-	1,035,180
GNMA Pass Through Pool	-	-	2,201,300	3,742,605	5,943,905
US Agency Securities:					
Federal Agriculture					
Mortgage Corporation	-	2,967,520	979,270	-	3,946,790
Federal Farm Credit Bank	-	1,000,120	3,870,840	-	4,870,960
Federal Home Loan Bank	-	12,241,883	10,415,385	970,300	23,627,568
Federal Home Loan					
Mortgage Corporation	9,999	10,876,830	2,948,350	-	13,835,179
Federal National					
Mortgage Association	27,998	21,891,020	4,901,810	-	26,820,828
FNMA Pass Through Pool	-	-	2,056,368	1,524,822	3,581,190
Municipal Bonds	-	11,615,927	11,853,121	1,003,030	24,472,078
Negotiable Certificate of Deposit	249,210	2,923,147	-	-	3,172,357
Banker's Acceptance	4,998,357	-	-	-	4,998,357
Commercial Paper	25,696,798	-	-	-	25,696,798
Total investments	<u>\$ 40,303,421</u>	<u>\$ 63,516,447</u>	<u>\$ 40,261,624</u>	<u>\$ 7,240,757</u>	151,322,249
Deposits					7,305,550
Change funds					5,790
Cash and investments					<u>\$ 158,633,589</u>

Note 3: CASH AND INVESTMENTS – CONTINUED

The investments are potentially subject to various risks; the following of which are considered the most significant:

Custodial credit risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy addresses this risk by requiring that securities be held by a third-party custodian. The City does not have a custodial credit risk because all investments are held in the City's name.

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is addressed by confining investments to those securities specifically authorized by state statutes and the City's investment policy. It is the City's policy to limit its investments in the authorized investment types to those rated in the top rating tiers issued by nationally recognized statistical rating organizations. As of December 31, 2014, the City's investments in US agency securities were rated AA- or better by Standard & Poor's and/or A2 or better by Moody's Investors Service, municipal bonds were rated AA- or higher by Standard & Poor's and/or AA3 or higher by Moody's Investor Service, bankers acceptance was rated AA- by Standard & Poor's and P1 by Moody's Investor Service and the City's money market mutual fund investments were rated AA- by Standard & Poor's and P1 by Moody's Investors Service. Non-negotiable CD's held by the City are not rated.

Concentration risk – This is the risk associated with investing a significant portion of the City's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. It is the City's policy to limit its investment in commercial paper to no more than 20% of the total portfolio. The City's holdings at year end fully complied with this requirement. At year end, the City's investments in three U.S. Agency issuers did exceed 5% of the total portfolio. These issuers were the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These issuers have an implicit guarantee from the federal government but are not backed by the full faith and credit of the federal government. The City also had holdings in US Bank commercial paper in excess of 5%.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does have an investment policy which requires diversification in terms of maturity and limits the maximum maturity of an investment to 15 years. At year end, the City had 26.63% of investments with a maturity date within one year, 41.98% with a maturity date between one and five years, 26.61% with a maturity date between six and ten years, and 4.78% with a maturity date between eleven and fifteen years.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

<u>Primary government:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 33,985,327	\$ 7,228,520	\$ (6,999)	\$ 41,206,848
Construction in progress	8,094,174	24,061,550	(11,797,780)	20,357,944
Total capital assets, not being depreciated	<u>42,079,501</u>	<u>31,290,070</u>	<u>(11,804,779)</u>	<u>61,564,792</u>
Capital assets, being depreciated				
Buildings	40,199,093	293,444	-	40,492,537
Improvements other than buildings	22,189,951	1,403,987	(65,428)	23,528,510
Machinery and equipment	31,695,590	3,051,071	(2,018,217)	32,728,444
Infrastructure	252,632,840	7,773,377	-	260,406,217
Total capital assets, being depreciated	<u>346,717,474</u>	<u>12,521,879</u>	<u>(2,083,645)</u>	<u>357,155,708</u>
(Less) Accumulated depreciation for:				
Buildings	(14,697,486)	(1,026,484)	-	(15,723,970)
Improvements other than buildings	(11,134,320)	(949,494)	65,428	(12,018,386)
Machinery and equipment	(19,105,293)	(1,948,044)	1,849,327	(19,204,010)
Infrastructure	(163,580,970)	(7,440,028)	-	(171,020,998)
Total accumulated depreciation	<u>(208,518,069)</u>	<u>(11,364,050)</u>	<u>1,914,755</u>	<u>(217,967,364)</u>
Total capital assets, being depreciated, net	<u>138,199,405</u>	<u>1,157,829</u>	<u>(168,890)</u>	<u>139,188,344</u>
Governmental activities capital assets, net	<u>\$ 180,278,906</u>	<u>\$ 32,447,899</u>	<u>\$ (11,973,669)</u>	<u>\$ 200,753,136</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 3,199,264	\$ -	\$ -	\$ 3,199,264
Construction in progress	573,507	2,419,739	(2,511,141)	482,105
Total capital assets, not being depreciated	<u>3,772,771</u>	<u>2,419,739</u>	<u>(2,511,141)</u>	<u>3,681,369</u>
Capital assets, being depreciated				
Buildings	54,250,212	-	-	54,250,212
Improvements other than buildings	5,082,363	155,464	-	5,237,827
Machinery and equipment	14,464,728	530,356	(79,344)	14,915,740
Infrastructure	100,233,499	6,055,731	-	106,289,230
Total capital assets, being depreciated	<u>174,030,802</u>	<u>6,741,551</u>	<u>(79,344)</u>	<u>180,693,009</u>
(Less) Accumulated depreciation for:				
Buildings	(21,347,990)	(1,602,239)	-	(22,950,229)
Improvements other than buildings	(1,670,742)	(215,166)	-	(1,885,908)
Machinery and equipment	(9,621,107)	(1,039,878)	79,344	(10,581,641)
Infrastructure	(32,941,359)	(2,149,689)	-	(35,091,048)
Total accumulated depreciation	<u>(65,581,198)</u>	<u>(5,006,972)</u>	<u>79,344</u>	<u>(70,508,826)</u>
Total capital assets, being depreciated, net	<u>108,449,604</u>	<u>1,734,579</u>	<u>-</u>	<u>110,184,183</u>
Business-type activities capital assets, net	<u>\$ 112,222,375</u>	<u>\$ 4,154,318</u>	<u>\$ (2,511,141)</u>	<u>\$ 113,865,552</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 4: CAPITAL ASSETS – CONTINUED

	Beginning Balance	Additions	Decreases	Ending Balance
<u>Component unit:</u>				
Governmental activities:				
Capital assets, being depreciated				
Buildings	\$ 175,169	\$ -	\$ -	\$ 175,169
(Less) Accumulated depreciation for:				
Buildings	(18,490)	(5,839)	-	(24,329)
Governmental activities capital assets, net	<u>\$ 156,679</u>	<u>\$ (5,839)</u>	<u>\$ -</u>	<u>\$ 150,840</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 1,333,840	\$ -	\$ -	\$ 1,333,840
Capital assets, being depreciated				
Buildings	15,094,825	-	-	15,094,825
Improvements other than buildings	350,183	-	-	350,183
Machinery and equipment	751,382	29,369	-	780,751
Total capital assets, being depreciated	<u>16,196,390</u>	<u>29,369</u>	<u>-</u>	<u>16,225,759</u>
(Less) Accumulated depreciation for:				
Buildings	(5,339,435)	(503,722)	-	(5,843,157)
Improvements other than buildings	(154,333)	(15,023)	-	(169,356)
Machinery and equipment	(485,924)	(43,908)	-	(529,832)
Total accumulated depreciation	<u>(5,979,692)</u>	<u>(562,653)</u>	<u>-</u>	<u>(6,542,345)</u>
Total capital assets, being depreciated, net	<u>10,216,698</u>	<u>(533,284)</u>	<u>-</u>	<u>9,683,414</u>
Business-type activities capital assets, net	<u>\$ 11,550,538</u>	<u>\$ (533,284)</u>	<u>\$ -</u>	<u>\$ 11,017,254</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 4: CAPITAL ASSETS – CONTINUED

<u>Primary government:</u>	<u>Amount</u>
Depreciation expense was charged to governmental functions as follows:	
General Government	\$ 279,055
Parks and Recreation	1,343,164
Public Safety	509,392
Public Works	7,713,600
Public Service	161,971
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,356,868</u>
Total depreciation expense - governmental activities	<u>\$ 11,364,050</u>
Depreciation expense was charged to business-type functions as follows:	
Water Sewer Utility	\$ 4,195,144
Ice Center	444,684
Water Resources	294,322
Solid Waste Management	2,438
Field House	70,384
Total depreciation expense - business-type activities	<u>\$ 5,006,972</u>
<u>Component unit:</u>	
Depreciation expense was charged to governmental functions as follows:	
Public Service	<u>\$ 5,839</u>
Depreciation expense was charged to business-type functions as follows:	
Plymouth Towne Square	\$ 197,407
Vicksburg Crossing	<u>365,246</u>
Total depreciation expense - component unit activities	<u>\$ 562,653</u>

Construction commitments

The City has active construction projects at year end. The projects include street improvements, construction of City capital assets, water and sewer facilities, and park and recreation facilities. At year end the commitments are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Primary Government</u>		
Park improvement	\$ 380,481	\$ -
Residential streets	4,704,184	-
Water resources management	-	35,268
Water and sewer utility	-	11,596
Total	<u>\$ 5,084,665</u>	<u>\$ 46,864</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 5: LONG-TERM DEBT

A. GENERAL OBLIGATION BONDS

Primary government

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

Component unit

The HRA issues general obligation bonds to provide funds for the acquisition and construction of capital facilities.

B. GENERAL OBLIGATION WATER REVENUE BONDS

General Obligation Revenue Bonds

The City issues bonds that are general obligations of the City for which the City pledges its full faith and credit and power to levy taxes. In addition, the City pledges net revenues of its water utility.

C. OBLIGATIONS OUTSTANDING

Long-term obligations outstanding at December 31, 2014 are summarized as follows:

	Interest Rates (%)	Payment Dates	Issue Date	Maturity Date	Authorized and Issued	Amount Retired	Debt Outstanding
<u>Primary government</u>							
Governmental activities:							
GENERAL OBLIGATION BONDS:							
Capital Improvement Bonds - 2004A	3.00-4.75	2/01 8/01	9/9/04	2/1/25	\$ 7,480,000	\$ 2,550,000	\$ 4,930,000
Open Space Bonds - 2007A	3.75-3.90	2/01 8/01	11/15/07	2/1/24	2,715,000	750,000	1,965,000
Open Space Bonds - 2010A	2.00-3.25	2/01 8/01	8/24/10	2/1/26	2,990,000	475,000	2,515,000
GO Refunding Bonds - 2012A	2.00-3.00	2/01 8/01	4/5/12	2/1/25	4,815,000	150,000	4,665,000
Total general obligation					<u>18,000,000</u>	<u>3,925,000</u>	<u>14,075,000</u>
GENERAL OBLIGATION BONDS - TAX INCREMENT:							
Tax Increment Bonds - 2005A	2.80-4.25	2/01 8/01	4/1/05	2/1/23	1,370,000	450,000	920,000
Tax Increment Refunding Bonds - 2009A	3.00-3.50	2/01 8/01	11/24/09	2/1/23	2,490,000	485,000	2,005,000
Total tax increment obligation					<u>3,860,000</u>	<u>935,000</u>	<u>2,925,000</u>
Total governmental activities					<u>21,860,000</u>	<u>4,860,000</u>	<u>17,000,000</u>
Business-type activities:							
GO Refunding Bonds - 2012A	2.00-3.00	2/01 8/01	4/5/12	2/1/19	4,955,000	140,000	4,815,000
Total primary government bonds payable					<u>\$ 26,815,000</u>	<u>\$ 5,000,000</u>	<u>\$ 21,815,000</u>
<u>Component unit</u>							
Business-type activities:							
Governmental Housing Project Housing Bonds - 2005	3.75-5.00	02/01 08/01	5/1/05	2/1/35	\$ 10,650,000	\$ 975,000	\$ 9,675,000
Governmental Housing Project Refunding Bonds - 2011A	3.00-3.25	04/01 10/01	2/23/11	10/1/23	3,165,000	495,000	2,670,000
Governmental Housing Project Refunding Bonds - 2012A	2.00-3.25	02/01 08/01	4/5/12	2/1/35	9,890,000	-	9,890,000
Total component unit bonds payable					<u>\$ 23,705,000</u>	<u>\$ 1,470,000</u>	<u>\$ 22,235,000</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 5: LONG-TERM DEBT – CONTINUED

Annual debt service requirements to maturity for bonds are as follows:

Year Ending December 31	Primary Government Governmental Activities		Primary Government Business-type Activities		Component Unit Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	\$ 6,385,000	\$ 477,907	\$ 920,000	\$ 126,050	\$ 9,690,000
2016	920,000	327,833	935,000	102,825	670,000	328,688
2017	970,000	297,933	965,000	74,325	690,000	310,088
2018	1,000,000	266,276	990,000	45,000	710,000	293,338
2019	1,050,000	233,023	1,005,000	15,075	730,000	276,188
2020-2024	5,660,000	613,508	-	-	3,585,000	1,105,550
2025-2029	1,015,000	23,644	-	-	2,570,000	721,856
2030-2034	-	-	-	-	2,945,000	337,275
2035	-	-	-	-	645,000	10,481
	<u>\$ 17,000,000</u>	<u>\$ 2,240,122</u>	<u>\$ 4,815,000</u>	<u>\$ 363,275</u>	<u>\$ 22,235,000</u>	<u>\$ 3,944,088</u>

D. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
Primary government:					
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 15,190,000	\$ -	\$ 1,115,000	\$ 14,075,000	\$ 5,305,000
General obligation bonds - tax increment	3,155,000	-	230,000	2,925,000	1,080,000
Deferred amounts:					
Issuance premiums (discounts)	394,488	-	36,311	358,177	-
Total bonds payable	18,739,488	-	1,381,311	17,358,177	6,385,000
OPEB liability	1,135,565	345,624	192,490	1,288,699	-
Compensated absences	2,488,846	1,750,083	1,733,861	2,505,068	1,768,538
Governmental activity					
Long-term liabilities	22,363,899	2,095,707	3,307,662	21,151,944	8,153,538
Business-type activities:					
Bonds payable:					
General obligation water revenue bonds	5,865,000	-	5,865,000	-	-
General obligation bonds - refunding	4,875,000	-	60,000	4,815,000	920,000
Deferred amounts:					
Issuance premiums (discounts)	332,793	-	20,778	312,015	-
Business-type activity					
Long-term liabilities	11,072,793	-	5,945,778	5,127,015	920,000
Primary government					
Long-term liabilities	<u>\$ 33,436,692</u>	<u>\$ 2,095,707</u>	<u>\$ 9,253,440</u>	<u>\$ 26,278,959</u>	<u>\$ 9,073,538</u>
Component unit:					
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 9,880,000	\$ -	\$ 205,000	\$ 9,675,000	\$ 9,435,000
General obligation bonds - refunding	12,810,000	-	250,000	12,560,000	255,000
Deferred amounts:					
Issuance premiums (discounts)	9,021	-	3,824	5,197	-
Total bonds payable	22,699,021	-	458,824	22,240,197	9,690,000
Compensated absences	2,908	8,433	6,905	4,436	4,436
Component unit					
Long-term liabilities	<u>\$ 22,701,929</u>	<u>\$ 8,433</u>	<u>\$ 465,729</u>	<u>\$ 22,244,633</u>	<u>\$ 9,694,436</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 5: LONG-TERM DEBT – CONTINUED

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, compensated absences and OPEB, which are reported in the internal service funds, are included in the above amounts. Also, for the governmental activities, compensated absences and OPEB are generally liquidated by the general fund.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. If special assessments are not adequate to retire outstanding debt, the City’s full faith and credit are pledged for their redemption.

On April 5, 2012, the City issued General Obligation Refunding Bonds, series 2012A, with an average interest rate of 2.95%, for refunding the General Obligation Capital Improvement Plan Bonds, series 2004A and the General Obligation Water Revenue Bonds, series 2004B, with average interest rates of 4.62% and 4.15%, respectively. The retirement of the 2004A series will occur on February 1, 2015. The retirement of the 2004B series occurred on February 1, 2014. The refunding will result in a \$750,440 gross debt service savings over the next 13 years and an economic gain of \$684,262.

On April 5, 2012, the HRA issued Governmental Housing Project Refunding Bonds, series 2012A, with an average interest rate of 2.72%, and will refund the Governmental Housing Project Bonds, series 2005, with an average interest rate of 4.74%. The retirement of the 2005 series will occur on February 1, 2015. The refunding will result in a \$1,869,606 gross debt service savings over the next 23 years and an economic gain of \$1,215,590.

There were \$3,295,000 in Open Space Bonds authorized in November 2006 that were unissued as of December 31, 2014.

There are a number of financial limitations and restrictions contained in the various bond indentures. At December 31, 2014, the City is in compliance with all significant financial limitations and restrictions and has no federal arbitrage payable.

E. PLEDGED REVENUE

The following table reflects bonds in which revenue is pledged to meet the debt obligations required.

Bond Issue	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
Water Refunding Bonds - 2012A	Bond originally issued for Water Treatment System	Utility Charges	100%	2014-2019	\$ 5,178,275	\$ 195,850	\$ 205,643
Tax Increment Bonds - 2005A	Redevelopment	Tax Increment	100%	2005-until debt obligations are paid in full	\$ 1,101,323	\$ 123,806	\$ 244,501
Tax Increment Refunding Bonds - 2009A	Site Improvements within Housing District	Tax Increment	100%	2010-until debt obligations are paid in full	\$ 2,353,975	\$ 215,225	\$ 146,553
Governmental Housing Refunding Bonds - 2011A	Governmental Housing Project	Rental Revenue	100%	2011-2023	\$ 3,095,588	\$ 338,438	\$ 147,116
Governmental Housing Bonds - 2005	Senior Housing Project	Rental Revenue	100%	2005-2035	\$ 9,907,288	\$ 654,475	\$ 639,545
Governmental Housing Refunding Bonds - 2012A	Refunding of Series 2005 Bonds above	**	100%	**	**	**	**

** These bonds are refunding Governmental Housing Bonds, Series 2005 - crossover date 2/1/2015.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2014, is as follows:

Due from other funds and due to other funds are short-term receivables/payables within the financial statements and are due to short-term cash deficits.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	<u>\$ 3,651</u>

Advances to other funds and advances from other funds represent interfund borrowing to provide interim financing for construction projects or other purposes. Such loans bear interest at the rate of 1.5% to 3.0%.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Park Replacement	Ice Center	\$ 643,802
Nonmajor Governmental	Park Replacement	1,304,497
		<u>\$ 1,948,299</u>

The purpose of transfers are to provide funding for capital improvement projects and capital outlay, provide funding for operating purposes, return unused funds, and other miscellaneous items.

<u>Transfer In:</u>				
	<u>General</u>	<u>General Capital Projects</u>	<u>Improvement Projects</u>	<u>Infrastructure Replacement</u>
Transfer Out:				
General	\$ -	\$ 3,373,454	\$ 44,490	\$ -
General Capital Projects	130,000	-	-	742,665
Improvement Projects	105,699	-	-	9,712
Infrastructure Replacement	-	-	2,197,833	-
Minnesota State Aid	-	-	9,086,892	-
Park Replacement	-	1,390,704	-	-
Nonmajor Governmental Funds	-	6,592,363	-	-
Water Sewer Utility	141,210	-	5,200,375	-
Ice Center	11,939	15,988	-	-
Nonmajor Enterprise Funds	39,141	-	291,488	-
Internal Service Funds	96,000	169,727	-	-
Total	<u>\$ 523,989</u>	<u>\$ 11,542,236</u>	<u>\$ 16,821,078</u>	<u>\$ 752,377</u>

<u>Transfer In:</u>				
	<u>Park Replacement</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Transfer Out:				
General	\$ -	\$ -	\$ 144,153	\$ 3,562,097
General Capital Projects	700,000	67	-	1,572,732
Improvement Projects	-	-	53,502	168,913
Infrastructure Replacement	-	83,908	-	2,281,741
Minnesota State Aid	-	-	-	9,086,892
Park Replacement	-	-	-	1,390,704
Nonmajor Governmental Funds	20,000	346,293	11,000	6,969,656
Water Sewer Utility	-	-	14,900	5,356,485
Ice Center	-	-	-	27,927
Nonmajor Enterprise Funds	-	-	66,277	396,906
Internal Service Funds	-	-	-	265,727
Total Transfers	<u>\$ 720,000</u>	<u>\$ 430,268</u>	<u>\$ 289,832</u>	<u>\$ 31,079,780</u>

Note 7: CONTINGENCIES AND COMMITMENTS

General Litigation

In the opinion of management, there are no potential claims against the City which would materially affect the financial statements of the City.

Tax Increment Districts

The City’s tax increment districts are subject to review by the Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

Pay-As-You-Go Tax Increment Notes

The City has development agreements with private developers for a property in the City’s Tax Increment Districts. As part of the agreements, the City has agreed to reimburse the developers for certain costs through pay-as-you-go tax increment notes. The notes provide for the payment of principal equal to the developers’ costs, plus interest at rates ranging from 6.0% to 8.5%. Payments of the notes will be made at the lesser of the scheduled note payments or the accrual net tax increment received during the period specified in the agreement. The note will be cancelled at the end of the agreement term, whether it has been fully repaid or not. The outstanding principal balance of these notes as of December 31, 2014 is \$3,320,048. These notes are not included in the City’s long-term debt, because repayment is required only to the extent sufficient tax increments are received. The City’s position is that this is an obligation to assign future and uncertain revenue sources and, as such, is not actual debt in substance.

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue, Housing Revenue, and Health Facilities Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial, commercial, housing, and health facilities deemed to be in the public’s interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2014, there were 19 series of Industrial Revenue, Housing Revenue, and Health Revenue Bonds outstanding with an aggregate principal amount payable of approximately \$76.1 million.

Encumbrances

The encumbrances summarized below have been reported as assigned fund balance within the General Fund as of December 31, 2014. The purchase orders remain open for future services related to active construction projects.

	<u>General</u>
Repair and maintenance (PO)	\$ 120,723
Supplies and services (PO)	<u>64,205</u>
Total	<u>\$ 184,928</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 8: RISK MANAGEMENT

The City is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other cities throughout Minnesota to form the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for member cities as this is more economically justifiable than obtaining insurance on its own.

The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. The LMCIT allows for the pool to make additional assessments to make the pool self-sustaining. Current state statutes (Minnesota Statute subd. 466.04) provide limits of liability for the City. These limits are that the combination of defense expense and indemnification expense shall not exceed \$500,000 in the case of one claimant or \$1,500,000 for any number of claims arising out of a single occurrence.

The City has established an Internal Service Fund, called the Risk Management Fund, to account for the self-insurance programs. Fund revenues are primarily charges to other funds and investment earnings.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverage for each of the past three fiscal years.

Changes in the balances of workers compensation claims liabilities during the past two years ended December 31 are as follows:

	<u>2013</u>	<u>2014</u>
Liability at beginning of year	\$ 721,012	\$ 587,738
Incurred claims and changes in estimates	23,802	(61,844)
Claims paid	<u>(157,076)</u>	<u>(130,760)</u>
Liability at end of year	<u>\$ 587,738</u>	<u>\$ 395,134</u>

Changes in the balances of dental claims liabilities during the past two years ended December 31 are as follows:

	<u>2013</u>	<u>2014</u>
Liability at beginning of year	\$ 56,449	\$ 56,848
Incurred claims and changes in estimates	238,106	211,039
Claims paid	<u>(237,707)</u>	<u>(212,865)</u>
Liability at end of year	<u>\$ 56,848</u>	<u>\$ 55,022</u>

Note 9: RETIREMENT PLANS

DEFINED BENEFIT PENSION PLANS – STATEWIDE

A. Plan Description

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

All GERF members belong to the Coordinated Plan. Plan members are covered by Social Security. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after five years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service. For all PEPFF members and GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced social security benefits capped at age 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree - no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the internet at www.mnpera.org, by writing PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088, or by calling (651) 296-7460 or 1-800-652-9026.

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Coordinated Plan members were required to contribute 6.25% of their annual covered salary in 2014. PEPFF members were required to contribute 10.2% of their annual covered salary in 2014. The City of Plymouth was required to contribute the following percentages of annual covered payroll: 7.25% for Coordinated Plan GERF members and 15.3% for PEPFF members. The City's contributions to the General Employees Retirement Fund for the years ended December 31, 2014, 2013, and 2012 were \$824,562, \$834,986, and \$826,421, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ended December 31, 2014, 2013, and 2012 were \$960,555, \$882,458, and \$837,733, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5% for members and 7.5% for employers) and the Police and Fire Fund (10.8% for members and 16.2% for employers).

Note 9: RETIREMENT PLANS – CONTINUED

DEFINED CONTRIBUTION PLAN – STATEWIDE

Seven council members of the City of Plymouth are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401 (a) of the Internal Revenue Code and all contributions by, or on behalf of, employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statute, Chapter 353D.03, specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel must be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of the employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

The City's contribution to the Public Employees Defined Contribution Plan for the year ended December 31, 2014 was \$3,490; an amount identical to the employee contribution. The percentage of covered payroll from employee and employer was 5.0% which is the same as the required rate.

PLYMOUTH FIREFIGHTERS' RELIEF ASSOCIATION RETIREMENT PLAN - SINGLE EMPLOYER

A. Plan Description

The volunteer firefighters of the City of Plymouth are members of the Plymouth Firefighters' Relief Association. The Plymouth Firefighters' Relief Association (Association) is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the Plymouth Fire Department. The plan is established and administered in accordance with Minnesota Statutes, Chapter 69.

The Association provides retirement benefits and disability benefits to members as well as benefits to survivors upon death of eligible members. Benefits are established in accordance with state statute and vest after ten years of credited service. The defined retirement benefits are based on a member's years of service. Benefit provisions can be amended by the Association within the parameters provided by state statutes.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Plymouth Firefighters' Relief Association, P.O. Box 47101, 3400 Plymouth Blvd., Plymouth MN 55447.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 9: RETIREMENT PLANS – CONTINUED

B. Funding Policy

Minnesota Statute Chapter 69.772 sets the minimum contribution requirement for the City of Plymouth and state aid on an annual basis. These statutes are established and amended by the state legislature. The City passes through state aid allocated to the plan in accordance with state statutes. The amount shown as contributions of state aid, \$450,270, is recognized as revenue and expense during the year. The Association is comprised of volunteers; therefore, there are no payroll expenditures or covered payroll percentage calculations. The City’s annual pension cost for the current year and related information for the plan is as follows:

Annual contribution requirement	\$452,794
Contributions made:	
City	--
State aid	\$452,794
Actuarial valuation date	12/31/2014
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period:	
Normal cost	20 years
Prior service cost	10 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	5%
Projected salary increases	N/A
Inflation rate	N/A
Cost of living adjustments	None

C. Annual Pension Cost and Net Pension Obligation

Three-year trend information for the Association is as follows:

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/14	\$452,794	100%	--
12/31/13	\$450,270	100%	--
12/31/12	\$315,432	100%	--

D. Schedule of Funding Progress

The date of the latest available actuarial valuation is December 31, 2014. There are no payroll earnings for volunteer firefighters subject to pension funding requirements.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Assets in Excess of/ (Unfunded) Accrued Liability</u>	<u>Funded Ratio</u>	<u>Pension Benefit Per Year of Service</u>
12/31/2014	\$ 8,537,791	\$ 6,207,959	\$ 2,329,832	137.5%	\$ 8,000

The Schedule of Funding Progress immediately following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Note 10: OTHER POSTEMPLOYMENT BENEFITS PLAN

A. Plan Description

The City administers a single-employer defined benefit healthcare plan. The City provides medical insurance to eligible retired city employees and beneficiaries through the City’s group health insurance plan, which covers both active and retired employees. Benefit provisions are established through Minnesota Statutes 471.61 and 299A.465, which require public sector employers to provide eligible retirees and beneficiaries continuation in the group health insurance plan at the group plan premium rate. The plan does not issue a publicly available financial report.

B. Funding Policy

The contribution requirements of plan members and the City are established by State Statutes and the City Council. Eligible retired city employees and beneficiaries contribute 100% of the group health insurance plan premium. For fiscal year 2014, the City contributed \$192,490.

C. Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the plan:

Annual Required Contribution	\$ 365,814
Interest on Net OPEB Obligation	51,100
Adjustment to Annual Required Contribution	<u>(71,290)</u>
Annual OPEB Cost	345,624
Contributions made	<u>(192,490)</u>
Increase in Net OPEB Obligation	153,134
Net OPEB Obligation beginning of year	<u>1,135,565</u>
Net OPEB Obligation end of year	<u><u>\$ 1,288,699</u></u>

The City’s annual OPEB cost, contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended December 31:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$345,624	\$192,490	55.7%	\$1,288,699
2013	\$349,546	\$159,209	45.5%	\$1,135,565
2012	\$349,860	\$182,121	52.1%	\$945,228

Note 10: OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

D. Funding Status and Funding Progress

As of January 1, 2013, the actuarial accrued liability for benefits was \$3,008,511 all of which was unfunded and represents the implicit rate subsidies for eligible retirees and beneficiaries. The covered payroll (annual payroll of active employees covered by the plan) was \$16,645,698, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 18.1%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

For the January 1, 2013 actuarial valuation, the projected unit credit with thirty year amortization of the unfunded liability method was used. The actuarial assumptions included a discount rate of 4.5% (net of investment expenses), an inflation rate of 2.5%, and an annual healthcare cost trend rate of 7.5% initially, reduced to an ultimate rate of 5.0% in five years. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period at December 31, 2013 was 25 years.

The following actuarial assumptions were included:

Retirement age of active employees – Based on the retirement rates used in the PERA plan of which the employee is a participant and is adjusted for OPEB purposes.

Marital Status – Marital status of plan members at the calculation date was assumed to continue throughout retirement at a assumed factor of 85% for males and 65% for females.

Mortality – Life expectancies were based on the RP2000 mortality tables from the Society of Actuaries.

F. Plan Members

The following summarizes the participant data at January 1, 2013, the date of the latest actuarial valuation:

Active participants	242
Participants/surviving Spouses receiving benefits	19
Spouses of Retired Participants receiving benefit	<u>5</u>
Total participants	<u>266</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

Note 11: FUND BALANCES

The following is a breakdown of equity components of governmental funds which are defined earlier in the report.

A. Classifications

	Primary Government								
	Special Revenue		Capital Projects					Nonmajor Governmental Funds	Total
	General Fund	Transit	General Capital Projects	Improvement Projects	Infrastructure Replacement	Minnesota State Aid	Park Replacement		
Nonspendable									
Prepaid items	\$ 474,273	\$ 9,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 484,202
Cemetery Perpetual Care - Principal Inventory	-	-	-	-	-	-	-	45,860	45,860
	-	-	-	-	-	-	-	4,267	4,267
Total nonspendable	474,273	9,929	-	-	-	-	-	50,127	534,329
Restricted									
Transit Services	-	5,063,632	-	-	-	-	-	-	5,063,632
Lawful Gambling	-	-	-	-	-	-	-	13,400	13,400
Debt Service	-	-	-	-	-	-	-	7,522,567	7,522,567
Housing Projects	-	-	-	-	-	-	-	58,475	58,475
Park Construction	-	-	-	-	-	-	-	1,019,843	1,019,843
Tax Increment Financing	-	-	-	-	-	-	-	2,414,441	2,414,441
Cemetery Perpetual Care	-	-	-	-	-	-	-	140,880	140,880
Total restricted	-	5,063,632	-	-	-	-	-	11,169,606	16,233,238
Assigned									
Infrastructure Improvements	-	-	-	-	16,981,867	-	-	-	16,981,867
Recreation Programming	-	-	-	-	-	-	-	339,751	339,751
Park Improvements	-	-	-	-	-	-	4,091,511	-	4,091,511
Cemetery Maintenance	-	-	-	-	-	-	-	149,368	149,368
Other capital projects & improvements	689,028	-	7,865,655	9,710,555	-	-	-	9,762,099	28,027,337
Total assigned	689,028	-	7,865,655	9,710,555	16,981,867	-	4,091,511	10,251,218	49,589,834
Unassigned	12,239,995	-	-	-	-	(542,556)	-	-	11,697,439
Total	\$ 13,403,296	\$ 5,073,561	\$ 7,865,655	\$ 9,710,555	\$ 16,981,867	\$ (542,556)	\$ 4,091,511	\$ 21,470,951	\$ 78,054,840

B. Minimum Unassigned Fund Balance Policy

The City has formally adopted a fund balance policy regarding the minimum fund balance for the General Fund. The policy establishes a minimum General Fund balance of 40% percent of the subsequent year projected expenditures and transfers out. At December 31, 2014, the fund balance of the General Fund was 40% percent of the subsequent year’s annual projected expenditures and transfers out.

Note 12: SUBSEQUENT EVENTS

On March 4, 2015, the City issued \$3,295,000 General Obligation Open Space bonds, Series 2015A to fund the purchase of open space. The interest rate on the bonds is 2.0% and the maturity date is February 1, 2027.

Note 13: FUTURE CHANGE IN ACCOUNTING STANDARDS

GASB Statement No. 68 replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, and Statement No. 50, Pension Disclosures, as they relate to employer governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement will be effective for fiscal years beginning after June 15, 2014. The City has not yet determined the financial statement impact of adopting this new standard.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PLYMOUTH, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2014

Plymouth Firefighters' Relief Association
Schedule of Funding Progress *

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Assets in Excess of Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
December 31, 2014	\$ 6,207,959	\$ 8,537,791	\$ 2,329,832	137.5%	N/A	N/A
December 31, 2013	\$ 6,293,821	\$ 8,361,785	\$ 2,067,964	132.9%	N/A	N/A
December 31, 2012	\$ 5,948,071	\$ 7,071,831	\$ 1,123,760	118.9%	N/A	N/A

* Refer to Note 9 in the Notes to the basic financial statements for additional details regarding this Schedule of Funding Progress.

Other Postemployment Benefits Plan
Schedule of Funding Progress **

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 2013	\$ 3,008,511	\$ -	\$ 3,008,511	0.0%	\$ 16,645,698	18.1%
January 1, 2011	\$ 3,072,106	\$ -	\$ 3,072,106	0.0%	\$ 16,110,899	19.1%
January 1, 2009	\$ 2,346,338	\$ -	\$ 2,346,338	0.0%	\$ 16,589,598	14.1%

** Refer to Note 10 in the Notes to the basic financial statement for additional details regarding this Schedule of Funding Progress.

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**NONMAJOR GOVERNMENTAL COMBINING
AND INDIVIDUAL FUNDS**

**CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)**

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2014	2013
ASSETS						
Cash and investments	\$ 863,890	\$ 2,845,342	\$ 11,937,894	\$ 186,095	\$ 15,833,221	\$ 19,857,565
Restricted cash and investments	-	4,677,313	-	-	4,677,313	4,836,545
Accounts receivable	21,884	-	-	-	21,884	16,295
Notes receivable	1,439,494	-	836,000	-	2,275,494	2,299,144
Taxes receivable	5,771	8,198	4,476	-	18,445	40,494
Special assessments receivable	-	2,576	32,537	-	35,113	89,854
Accrued interest receivable	69,292	-	96,809	645	166,746	241,154
Due from other governments	65,261	-	-	-	65,261	56,342
Inventory	-	-	-	-	-	20
Prepaid items	4,267	-	-	-	4,267	-
Advances to other funds	-	-	1,304,497	-	1,304,497	1,500,295
TOTAL ASSETS	\$ 2,469,859	\$ 7,533,429	\$ 14,212,213	\$ 186,740	\$ 24,402,241	\$ 28,937,708
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 27,554	\$ 1,391	\$ 201,758	\$ -	\$ 230,703	\$ 176,630
Accrued salaries and benefits payable	23,587	-	-	-	23,587	19,661
Deposits payable	1,000	-	-	-	1,000	1,208
Due to other funds	-	-	3,651	-	3,651	-
Due to other governments	14,439	-	6,068	-	20,507	23,745
Unearned revenue	205,189	-	-	-	205,189	193,699
Total liabilities	271,769	1,391	211,477	-	484,637	414,943
Deferred inflows of resources:						
Unavailable revenue	1,510,891	9,471	926,291	-	2,446,653	2,528,694
Fund balances:						
Nonspendable	4,267	-	-	45,860	50,127	45,750
Restricted	71,875	7,522,567	3,434,284	140,880	11,169,606	14,485,626
Assigned	611,057	-	9,640,161	-	10,251,218	11,462,695
Total fund balances	687,199	7,522,567	13,074,445	186,740	21,470,951	25,994,071
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,469,859	\$ 7,533,429	\$ 14,212,213	\$ 186,740	\$ 24,402,241	\$ 28,937,708

**CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)**

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2014	2013
REVENUES:						
Property taxes	\$ 572,679	\$ 1,460,773	\$ 1,191,390	\$ -	\$ 3,224,842	\$ 3,161,258
Special assessments	-	14,604	50,211	-	64,815	71,813
Intergovernmental	254,230	25	9	-	254,264	271,913
Charges for services	1,232,593	-	-	130	1,232,723	1,254,404
Contributions	46,785	-	1,134,945	-	1,181,730	2,041,943
Investment earnings (loss)	30,857	54,266	678,311	5,825	769,259	(177,953)
Loan repayments	7,605	-	-	-	7,605	7,380
Other revenues	3,224	-	-	-	3,224	15,312
Total revenues	<u>2,147,973</u>	<u>1,529,668</u>	<u>3,054,866</u>	<u>5,955</u>	<u>6,738,462</u>	<u>6,646,070</u>
EXPENDITURES:						
Current:						
Economic development	-	-	663,648	-	663,648	333,281
Parks and recreation	1,765,523	-	10,750	-	1,776,273	1,703,778
Public service	266,555	-	-	-	266,555	286,434
Public works	-	-	-	-	-	1,683
Debt service:						
Principal retirement	-	1,345,000	-	-	1,345,000	1,320,000
Interest and fiscal charges	-	646,318	-	-	646,318	726,674
Capital outlay	24,400	-	-	-	24,400	7,915
Total expenditures	<u>2,056,478</u>	<u>1,991,318</u>	<u>674,398</u>	<u>-</u>	<u>4,722,194</u>	<u>4,379,765</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>91,495</u>	<u>(461,650)</u>	<u>2,380,468</u>	<u>5,955</u>	<u>2,016,268</u>	<u>2,266,305</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	35,256	390,324	4,688	-	430,268	149,570
Transfers out	(66,256)	(172,961)	(6,730,439)	-	(6,969,656)	(519,870)
Total other financing sources (uses)	<u>(31,000)</u>	<u>217,363</u>	<u>(6,725,751)</u>	<u>-</u>	<u>(6,539,388)</u>	<u>(370,300)</u>
NET CHANGE IN FUND BALANCES	<u>60,495</u>	<u>(244,287)</u>	<u>(4,345,283)</u>	<u>5,955</u>	<u>(4,523,120)</u>	<u>1,896,005</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>626,704</u>	<u>7,766,854</u>	<u>17,419,728</u>	<u>180,785</u>	<u>25,994,071</u>	<u>24,098,066</u>
FUND BALANCES AT END OF YEAR	<u>\$ 687,199</u>	<u>\$ 7,522,567</u>	<u>\$ 13,074,445</u>	<u>\$ 186,740</u>	<u>\$ 21,470,951</u>	<u>\$ 25,994,071</u>



SPECIAL REVENUE FUNDS – NONMAJOR

Recreation Fund - Transfers are received from the General Fund and revenue from participants in the City's recreational programs. These revenues are used to finance the recreational programs offered to the citizens of Plymouth and other participants.

Parkers Lake Cemetery Maintenance Fund - Revenues derived from the sale of cemetery lots are receipted into this fund and are used to finance cemetery maintenance costs.

Community Development Fund - This fund is used to account for funds to assist with financing the costs of community development functions, such as comprehensive plan updates, land use maps, and other development activities.

Economic Development Fund - This fund was established to account for activities to encourage economic development by supplementing conventional financing sources available to existing and new businesses.

Community Development Block Grant Fund - This fund receives and expends the City's allocation of the Federal Community Development Block Grant Program funds. The primary beneficiaries from the activities of this fund are persons of low and moderate income.

Lawful Gambling Fund - The Plymouth Lions manage lawful gambling operations in the City of Plymouth. The City receives fees and makes expenditures in accordance with state statutes.

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**CITY OF PLYMOUTH, MINNESOTA
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)**

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Community Development Block Grant</u>
<u>ASSETS</u>					
Cash and investments	\$ 579,839	\$ 148,852	\$ 54,748	\$ 65,784	\$ 10,759
Accounts receivable	11,541	-	-	987	-
Notes receivable	-	-	225,000	137,273	1,077,221
Taxes receivable	5,608	-	-	-	163
Accrued interest receivable	2,013	516	37,793	229	28,605
Due from other governments	2,910	-	-	-	62,351
Inventory	-	-	-	-	-
Prepaid items	4,267	-	-	-	-
TOTAL ASSETS	<u>\$ 606,178</u>	<u>\$ 149,368</u>	<u>\$ 317,541</u>	<u>\$ 204,273</u>	<u>\$ 1,179,099</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 14,826	\$ -	\$ -	\$ -	\$ 12,728
Accrued salaries and benefits payable	21,763	-	-	-	1,824
Deposits payable	1,000	-	-	-	-
Due to other governments	14,301	-	-	-	138
Unearned revenue	205,189	-	-	-	-
Total liabilities	<u>257,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,690</u>
Deferred inflows of resources:					
Unavailable revenue	<u>5,081</u>	<u>-</u>	<u>262,603</u>	<u>137,273</u>	<u>1,105,934</u>
Fund balances:					
Nonspendable	4,267	-	-	-	-
Restricted	-	-	-	-	58,475
Assigned	339,751	149,368	54,938	67,000	-
Total fund balances	<u>344,018</u>	<u>149,368</u>	<u>54,938</u>	<u>67,000</u>	<u>58,475</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 606,178</u>	<u>\$ 149,368</u>	<u>\$ 317,541</u>	<u>\$ 204,273</u>	<u>\$ 1,179,099</u>

Lawful Gambling	Totals	
	2014	2013
\$ 3,908	\$ 863,890	\$ 817,703
9,356	21,884	16,295
-	1,439,494	1,463,144
-	5,771	8,857
136	69,292	65,134
-	65,261	56,342
-	-	20
-	4,267	-
<u>\$ 13,400</u>	<u>\$ 2,469,859</u>	<u>\$ 2,427,495</u>
\$ -	\$ 27,554	\$ 30,059
-	23,587	19,661
-	1,000	1,208
-	14,439	17,730
-	205,189	193,699
<u>-</u>	<u>271,769</u>	<u>262,357</u>
-	1,510,891	1,538,434
-	4,267	20
13,400	71,875	65,696
-	611,057	560,988
<u>13,400</u>	<u>687,199</u>	<u>626,704</u>
<u>\$ 13,400</u>	<u>\$ 2,469,859</u>	<u>\$ 2,427,495</u>

CITY OF PLYMOUTH, MINNESOTA
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Community Development Block Grant</u>
REVENUES:					
Property taxes	\$ 559,378	\$ -	\$ -	\$ -	\$ 13,301
Intergovernmental	13	-	-	-	254,217
Charges for services	1,232,403	190	-	-	-
Contributions	11,700	-	-	-	-
Investment earnings (loss)	16,466	4,763	1,715	5,976	1,107
Loan repayments	-	-	-	7,605	-
Other revenues	3,224	-	-	-	-
Total revenues	<u>1,823,184</u>	<u>4,953</u>	<u>1,715</u>	<u>13,581</u>	<u>268,625</u>
EXPENDITURES:					
Current:					
Parks and recreation	1,765,523	-	-	-	-
Public service	-	3,450	-	-	263,105
Capital outlay	24,400	-	-	-	-
Total expenditures	<u>1,789,923</u>	<u>3,450</u>	<u>-</u>	<u>-</u>	<u>263,105</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>33,261</u>	<u>1,503</u>	<u>1,715</u>	<u>13,581</u>	<u>5,520</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	35,256	-	-	-	-
Transfers out	(31,000)	-	-	-	-
Total other financing sources (uses)	<u>4,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	37,517	1,503	1,715	13,581	5,520
FUND BALANCES AT BEGINNING OF YEAR	<u>306,501</u>	<u>147,865</u>	<u>53,223</u>	<u>53,419</u>	<u>52,955</u>
FUND BALANCES AT END OF YEAR	<u>\$ 344,018</u>	<u>\$ 149,368</u>	<u>\$ 54,938</u>	<u>\$ 67,000</u>	<u>\$ 58,475</u>

Lawful Gambling	Totals	
	2014	2013
\$ -	\$ 572,679	\$ 582,479
-	254,230	271,872
-	1,232,593	1,254,174
35,085	46,785	24,019
830	30,857	(12,154)
-	7,605	7,380
-	3,224	2,812
<u>35,915</u>	<u>2,147,973</u>	<u>2,130,582</u>
-	1,765,523	1,703,778
-	266,555	286,434
-	24,400	7,915
<u>-</u>	<u>2,056,478</u>	<u>1,998,127</u>
<u>35,915</u>	<u>91,495</u>	<u>132,455</u>
-	35,256	23,721
<u>(35,256)</u>	<u>(66,256)</u>	<u>(57,321)</u>
<u>(35,256)</u>	<u>(31,000)</u>	<u>(33,600)</u>
659	60,495	98,855
<u>12,741</u>	<u>626,704</u>	<u>527,849</u>
<u>\$ 13,400</u>	<u>\$ 687,199</u>	<u>\$ 626,704</u>

**CITY OF PLYMOUTH, MINNESOTA
RECREATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)**

	2014		2013	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property taxes	\$ 567,604	\$ 559,378	\$ (8,226)	\$ 558,951
Intergovernmental	-	13	13	15
Charges for services	1,149,725	1,232,403	82,678	1,254,134
Contributions	-	11,700	11,700	250
Investment earnings (loss)	8,000	16,466	8,466	(11,761)
Other revenues	1,300	3,224	1,924	2,812
Total revenues	<u>1,726,629</u>	<u>1,823,184</u>	<u>96,555</u>	<u>1,804,401</u>
EXPENDITURES:				
Current:				
Parks and recreation:				
Personal services	923,293	906,831	16,462	889,960
Materials and supplies	71,550	58,382	13,168	53,847
Contractual services	738,843	800,310	(61,467)	759,971
Capital outlay	23,000	24,400	(1,400)	7,915
Total expenditures	<u>1,756,686</u>	<u>1,789,923</u>	<u>(33,237)</u>	<u>1,711,693</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(30,057)</u>	<u>33,261</u>	<u>63,318</u>	<u>92,708</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	50,057	35,256	(14,801)	23,721
Transfers out	(20,000)	(31,000)	(11,000)	(33,600)
Total other financing sources (uses)	<u>30,057</u>	<u>4,256</u>	<u>(25,801)</u>	<u>(9,879)</u>
NET CHANGE IN FUND BALANCE	-	37,517	37,517	82,829
FUND BALANCE AT BEGINNING OF YEAR	<u>306,501</u>	<u>306,501</u>	<u>-</u>	<u>223,672</u>
FUND BALANCE AT END OF YEAR	<u>\$ 306,501</u>	<u>\$ 344,018</u>	<u>\$ 37,517</u>	<u>\$ 306,501</u>

**CITY OF PLYMOUTH, MINNESOTA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)**

	2014			2013
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property taxes	\$ 13,500	\$ 13,301	\$ (199)	\$ 23,528
Intergovernmental	299,328	254,217	(45,111)	271,857
Investment earnings (loss)	500	1,107	607	(407)
Total revenues	<u>313,328</u>	<u>268,625</u>	<u>(44,703)</u>	<u>294,978</u>
EXPENDITURES:				
Current:				
Public service:				
Personal services	67,002	52,762	14,240	75,822
Materials and supplies	300	548	(248)	22
Contractual services	246,026	209,795	36,231	206,855
Total expenditures	<u>313,328</u>	<u>263,105</u>	<u>50,223</u>	<u>282,699</u>
NET CHANGE IN FUND BALANCE	-	5,520	5,520	12,279
FUND BALANCE AT BEGINNING OF YEAR	<u>52,955</u>	<u>52,955</u>	-	<u>40,676</u>
FUND BALANCE AT END OF YEAR	<u>\$ 52,955</u>	<u>\$ 58,475</u>	<u>\$ 5,520</u>	<u>\$ 52,955</u>

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DEBT SERVICE FUNDS – NONMAJOR

General Obligation Bonds Fund - This fund is used to account for the accumulation of resources for payment of general obligation bonds or other general indebtedness and interest thereon.

Tax Increment Bonds Fund - This fund is used to account for the accumulation of resources for payment of tax increment general obligation bonds and interest thereon. These bonds were sold to finance the construction of public collector and distributor roadway improvements, drainage improvements, and other public development costs in the City.

Special Assessment Bonds Fund - This fund is used to account for the accumulation of resources for the payment of special assessment bonds. These bonds were sold to finance certain public improvements such as residential streets, sidewalks, storm sewers, or the provision of services, which are to be paid for wholly or in part from special assessments, levied against benefited property.

**CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)**

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2014	2013
<u>ASSETS</u>					
Cash and investments	\$ 1,707,468	\$ 693,430	\$ 444,444	\$ 2,845,342	\$ 2,854,417
Restricted cash and investments	4,677,313	-	-	4,677,313	4,836,545
Taxes receivable	10,129	-	(1,931)	8,198	18,961
Special assessments receivable	-	-	2,576	2,576	17,281
Accrued interest receivable	-	-	-	-	69,412
TOTAL ASSETS	\$ 6,394,910	\$ 693,430	\$ 445,089	\$ 7,533,429	\$ 7,796,616
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 885	\$ 506	\$ -	\$ 1,391	\$ -
Deferred inflows of resources:					
Unavailable revenue	8,826	-	645	9,471	29,762
Fund balances:					
Restricted	6,385,199	692,924	444,444	7,522,567	7,766,854
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,394,910	\$ 693,430	\$ 445,089	\$ 7,533,429	\$ 7,796,616

CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2014	2013
REVENUES:					
Property taxes	\$ 1,069,719	\$ 391,054	\$ -	\$ 1,460,773	\$ 1,516,274
Special assessments	-	-	14,604	14,604	60,630
Intergovernmental	25	-	-	25	30
Investment earnings	32,597	11,476	10,193	54,266	45,000
Total revenues	<u>1,102,341</u>	<u>402,530</u>	<u>24,797</u>	<u>1,529,668</u>	<u>1,621,934</u>
EXPENDITURES:					
Debt service:					
Principal retirement	1,115,000	230,000	-	1,345,000	1,320,000
Interest and fiscal charges	534,363	111,955	-	646,318	726,674
Total expenditures	<u>1,649,363</u>	<u>341,955</u>	<u>-</u>	<u>1,991,318</u>	<u>2,046,674</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(547,022)</u>	<u>60,575</u>	<u>24,797</u>	<u>(461,650)</u>	<u>(424,740)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	189,113	133,455	67,756	390,324	102,316
Transfers out	(172,961)	-	-	(172,961)	(102,326)
Total other financing sources	<u>16,152</u>	<u>133,455</u>	<u>67,756</u>	<u>217,363</u>	<u>(10)</u>
NET CHANGE IN FUND BALANCES	(530,870)	194,030	92,553	(244,287)	(424,750)
FUND BALANCES AT BEGINNING OF YEAR	<u>6,916,069</u>	<u>498,894</u>	<u>351,891</u>	<u>7,766,854</u>	<u>8,191,604</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,385,199</u>	<u>\$ 692,924</u>	<u>\$ 444,444</u>	<u>\$ 7,522,567</u>	<u>\$ 7,766,854</u>



CAPITAL PROJECTS FUNDS – NONMAJOR

Community Improvement Fund - This fund is used to account for expenditures, which may be made only for items of a capital nature. Allowed expenditures are provided for by ordinance. Funds are deposited into this fund from surplus money or special assessment collections that remain after an improvement project has been fully funded and the bonds issued for the project paid.

Project Administration - Revenues received are a portion of all special assessments, which are levied on benefiting properties, and are used to provide funds for project contingencies and other special projects.

Park Construction Fund - These funds are used to account for the monies received from land developers and are used for the acquisition and development of park land.

Capital Improvement Fund - This fund was established to accumulate resources for capital improvements, such as building construction, without the need to issue bonds.

Tax Increment Projects Fund - This fund is used to account for expenditures incurred in the construction of public collector and distributor roadway improvements, drainage improvements, and other public development costs in the City.

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CITY OF PLYMOUTH, MINNESOTA
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)

	<u>Community Improvement</u>	<u>Project Administration</u>	<u>Park Construction</u>	<u>Capital Improvement</u>	<u>Tax Increment Projects</u>
<u>ASSETS</u>					
Cash and investments	\$ 4,850,524	\$ 527,724	\$ 1,016,367	\$ 2,926,438	\$ 2,616,841
Notes receivable	-	-	-	-	836,000
Taxes receivable	-	-	-	4,479	(3)
Special assessments receivable	32,537	-	-	-	-
Accrued interest receivable	16,819	1,831	3,476	10,140	64,543
Advances to other funds	1,304,497	-	-	-	-
TOTAL ASSETS	<u>\$ 6,204,377</u>	<u>\$ 529,555</u>	<u>\$ 1,019,843</u>	<u>\$ 2,941,057</u>	<u>\$ 3,517,381</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 201,758
Due to other funds	-	-	-	-	3,651
Due to other governments	-	-	-	-	6,068
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,477</u>
Deferred inflows of resources:					
Unavailable revenue	<u>30,948</u>	<u>-</u>	<u>-</u>	<u>3,880</u>	<u>891,463</u>
Fund balances:					
Restricted	-	-	1,019,843	-	2,414,441
Assigned	6,173,429	529,555	-	2,937,177	-
Total fund balances	<u>6,173,429</u>	<u>529,555</u>	<u>1,019,843</u>	<u>2,937,177</u>	<u>2,414,441</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 6,204,377</u>	<u>\$ 529,555</u>	<u>\$ 1,019,843</u>	<u>\$ 2,941,057</u>	<u>\$ 3,517,381</u>

Totals	
2014	2013
\$ 11,937,894	\$ 16,005,282
836,000	836,000
4,476	12,676
32,537	72,573
96,809	105,986
1,304,497	1,500,295
<u>\$ 14,212,213</u>	<u>\$ 18,532,812</u>
\$ 201,758	\$ 146,571
3,651	-
6,068	6,015
<u>211,477</u>	<u>152,586</u>
<u>926,291</u>	<u>960,498</u>
3,434,284	6,518,021
9,640,161	10,901,707
<u>13,074,445</u>	<u>17,419,728</u>
<u>\$ 14,212,213</u>	<u>\$ 18,532,812</u>

CITY OF PLYMOUTH, MINNESOTA
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	<u>Community Improvement</u>	<u>Project Administration</u>	<u>Park Construction</u>	<u>Capital Improvement</u>	<u>Tax Increment Projects</u>
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ 397,332	\$ 794,058
Special assessments	50,211	-	-	-	-
Intergovernmental	-	-	-	9	-
Contributions	-	-	1,134,945	-	-
Investment earnings (loss)	309,136	16,539	154,641	120,715	77,280
Other revenues	-	-	-	-	-
Total revenues	<u>359,347</u>	<u>16,539</u>	<u>1,289,586</u>	<u>518,056</u>	<u>871,338</u>
EXPENDITURES:					
Current:					
Economic development	-	-	-	-	663,648
Parks and recreation	-	-	10,750	-	-
Public works	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>10,750</u>	<u>-</u>	<u>663,648</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>359,347</u>	<u>16,539</u>	<u>1,278,836</u>	<u>518,056</u>	<u>207,690</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	67	-	4,621
Transfers out	<u>(987,358)</u>	<u>-</u>	<u>(4,436,875)</u>	<u>(1,168,130)</u>	<u>(138,076)</u>
Total other financing sources (uses)	<u>(987,358)</u>	<u>-</u>	<u>(4,436,808)</u>	<u>(1,168,130)</u>	<u>(133,455)</u>
NET CHANGE IN FUND BALANCES	(628,011)	16,539	(3,157,972)	(650,074)	74,235
FUND BALANCES AT BEGINNING OF YEAR	<u>6,801,440</u>	<u>513,016</u>	<u>4,177,815</u>	<u>3,587,251</u>	<u>2,340,206</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,173,429</u>	<u>\$ 529,555</u>	<u>\$ 1,019,843</u>	<u>\$ 2,937,177</u>	<u>\$ 2,414,441</u>

Totals	
2014	2013
\$ 1,191,390	\$ 1,062,505
50,211	11,183
9	11
1,134,945	2,017,924
678,311	(207,972)
-	12,500
<u>3,054,866</u>	<u>2,896,151</u>
663,648	334,889
10,750	-
-	75
<u>674,398</u>	<u>334,964</u>
<u>2,380,468</u>	<u>2,561,187</u>
4,688	23,533
<u>(6,730,439)</u>	<u>(360,223)</u>
<u>(6,725,751)</u>	<u>(336,690)</u>
(4,345,283)	2,224,497
<u>17,419,728</u>	<u>15,195,231</u>
<u>\$ 13,074,445</u>	<u>\$ 17,419,728</u>

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PERMANENT FUNDS – NONMAJOR

Parkers Lake Cemetery Perpetual Care Fund - The Parkers Lake Cemetery Perpetual Care Fund was established to account for funds dedicated to perpetual maintenance of the cemetery; only earnings, and not principal, may be expended for major capital improvements.

**CITY OF PLYMOUTH, MINNESOTA
 PARKERS LAKE CEMETERY PERPETUAL CARE
 PERMANENT FUND
 NONMAJOR GOVERNMENTAL FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and investments	\$ 186,095	\$ 180,163
Accrued interest receivable	645	622
Total Assets	<u>\$ 186,740</u>	<u>\$ 180,785</u>
<u>FUND BALANCES</u>		
Fund balance:		
Nonspendable	\$ 45,860	\$ 45,730
Restricted	140,880	135,055
Total fund balance	<u>\$ 186,740</u>	<u>\$ 180,785</u>

**CITY OF PLYMOUTH, MINNESOTA
 PARKERS LAKE CEMETERY PERPETUAL CARE
 PERMANENT FUND
 NONMAJOR GOVERNMENTAL FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>REVENUES:</u>		
Charges for services	\$ 130	\$ 230
Investment earnings (loss)	5,825	(2,827)
Total revenues	<u>5,955</u>	<u>(2,597)</u>
NET CHANGE IN FUND BALANCE	5,955	(2,597)
FUND BALANCE AT BEGINNING OF YEAR	<u>180,785</u>	<u>183,382</u>
FUND BALANCE AT END OF YEAR	<u>\$ 186,740</u>	<u>\$ 180,785</u>



**GENERAL FUND
COMPARATIVE INFORMATION**

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2014 AND 2013**

	Totals	
	2014	2013
<u>ASSETS</u>		
Cash and investments	\$ 16,905,413	\$ 15,704,103
Accounts receivable	96,686	92,878
Taxes receivable	261,904	333,835
Special assessments receivable	12,336	10,717
Accrued interest receivable	70,679	64,256
Due from other funds	3,651	-
Due from other governments	190,608	386,764
Prepaid items	474,273	36,561
TOTAL ASSETS	<u>\$ 18,015,550</u>	<u>\$ 16,629,114</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 459,950	\$ 491,889
Accrued salaries and benefits payable	565,929	482,717
Deposits payable	2,854,581	1,848,796
Due to other governments	51,340	43,366
Unearned revenue	420,877	704,131
Total liabilities	<u>4,352,677</u>	<u>3,570,899</u>
Deferred inflows of resources:		
Unavailable revenue	<u>259,577</u>	<u>269,707</u>
Fund balances:		
Nonspendable	474,273	36,561
Assigned	689,028	518,162
Unassigned	12,239,995	12,233,785
Total fund balance	<u>13,403,296</u>	<u>12,788,508</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 18,015,550</u>	<u>\$ 16,629,114</u>

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	2014		Variance with Final Budget	2013
	Original and Final Budget	Actual		Actual
REVENUES:				
Property taxes	\$ 23,973,179	\$ 23,649,213	\$ (323,966)	\$ 23,466,327
Special assessments	3,500	10,835	7,335	10,173
Licenses and permits:				
Nonbusiness	2,732,275	4,532,242	1,799,967	3,729,638
Business	373,350	392,031	18,681	385,582
Total licenses and permits	3,105,625	4,924,273	1,818,648	4,115,220
Intergovernmental:				
State grants and aids	1,600,034	1,788,746	188,712	1,819,163
Federal grants	34,800	87,368	52,568	486,984
Other	380,000	494,359	114,359	388,630
Total intergovernmental	2,014,834	2,370,473	355,639	2,694,777
Charges for services	1,632,042	2,585,479	953,437	2,184,559
Fines and forfeitures	766,500	605,751	(160,749)	683,261
Contributions	1,500	10,575	9,075	5,937
Investment earnings (loss)	90,000	533,490	443,490	(355,662)
Other revenues	80,800	215,541	134,741	185,712
Total revenues	31,667,980	34,905,630	3,237,650	32,990,304
OTHER FINANCING SOURCES:				
Transfers from other funds:				
General Capital Projects	-	130,000	130,000	-
Improvement Project Construction	-	105,699	105,699	416,769
Park Replacement	-	-	-	25,000
Water Sewer Utility	141,210	141,210	-	141,210
Water Resources	17,388	17,388	-	17,388
Ice Center	11,939	11,939	-	11,939
Solid Waste	17,929	17,929	-	17,929
Field House	3,824	3,824	-	3,824
Resource Planning	111,000	96,000	(15,000)	12,470
Total other financing sources	303,290	523,989	220,699	646,529
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 31,971,270	\$ 35,429,619	\$ 3,458,349	\$ 33,636,833

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	2014		Variance with Final Budget	2013
	Original and Final Budget	Actual		Actual
GENERAL GOVERNMENT:				
Legislative:				
Personal services	\$ 299,843	\$ 278,996	\$ 20,847	\$ 272,531
Materials and supplies	4,000	2,591	1,409	6,432
Contractual services	665,708	788,553	(122,845)	668,560
Other	(7,480)	157,626	(165,106)	303,992
Total legislative	<u>962,071</u>	<u>1,227,766</u>	<u>(265,695)</u>	<u>1,251,515</u>
Administration:				
Personal services	1,817,553	1,515,381	302,172	1,652,458
Materials and supplies	16,080	25,831	(9,751)	10,327
Contractual services	622,043	702,102	(80,059)	695,906
Other	3,860	9,271	(5,411)	6,814
Total administration	<u>2,459,536</u>	<u>2,252,585</u>	<u>206,951</u>	<u>2,365,505</u>
Community development:				
Personal services	832,407	834,556	(2,149)	796,545
Materials and supplies	5,550	9,937	(4,387)	2,047
Contractual services	134,824	129,115	5,709	163,819
Other	100	67	33	52
Total community development	<u>972,881</u>	<u>973,675</u>	<u>(794)</u>	<u>962,463</u>
Total general government	<u>4,394,488</u>	<u>4,454,026</u>	<u>(59,538)</u>	<u>4,579,483</u>
PARKS AND RECREATION:				
Personal services	2,831,909	2,659,614	172,295	2,645,791
Materials and supplies	435,400	434,994	406	368,426
Contractual services	2,109,587	2,111,174	(1,587)	1,971,059
Capital outlay	72,500	90,469	(17,969)	-
Other	17,000	40,641	(23,641)	41,807
Total parks and recreation	<u>5,466,396</u>	<u>5,336,892</u>	<u>129,504</u>	<u>5,027,083</u>
PUBLIC SAFETY:				
Police:				
Personal services	9,165,646	8,945,032	220,614	8,602,404
Materials and supplies	159,550	152,220	7,330	170,491
Contractual services	2,348,233	2,336,555	11,678	2,076,735
Capital outlay	140,000	192,728	(52,728)	-
Other	80,100	85,437	(5,337)	69,372
Total police	<u>11,893,529</u>	<u>11,711,972</u>	<u>181,557</u>	<u>10,919,002</u>
Fire:				
Personal services	1,283,863	1,283,512	351	1,265,220
Materials and supplies	129,300	128,807	493	108,801
Contractual services	1,237,661	1,203,197	34,464	995,822
Capital outlay	61,476	37,090	24,386	-
Other	315,150	451,992	(136,842)	451,380
Total fire	<u>3,027,450</u>	<u>3,104,598</u>	<u>(77,148)</u>	<u>2,821,223</u>
Civil defense:				
Personal services	-	-	-	2,722
Materials and supplies	6,100	-	6,100	631
Contractual services	51,114	46,783	4,331	32,740
Total civil defense	<u>57,214</u>	<u>46,783</u>	<u>10,431</u>	<u>36,093</u>

(Continued...)

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

(Continued from previous page)

	2014		2013	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Protective inspections				
Personal services	1,093,585	1,093,870	(285)	1,043,561
Materials and supplies	11,100	7,015	4,085	2,269
Contractual services	172,170	162,189	9,981	183,543
Other	7,200	9,042	(1,842)	8,771
Total protective inspections	<u>1,284,055</u>	<u>1,272,116</u>	<u>11,939</u>	<u>1,238,144</u>
Total public safety	<u>16,262,248</u>	<u>16,135,469</u>	<u>126,779</u>	<u>15,014,462</u>
PUBLIC WORKS:				
Engineering:				
Personal services	904,582	790,635	113,947	743,986
Materials and supplies	5,600	3,112	2,488	3,758
Contractual services	164,942	154,648	10,294	245,222
Total engineering	<u>1,075,124</u>	<u>948,395</u>	<u>126,729</u>	<u>992,966</u>
Streets:				
Personal services	1,185,038	1,194,725	(9,687)	1,042,002
Materials and supplies	898,350	801,923	96,427	798,796
Contractual services	2,514,126	2,352,799	161,327	2,114,819
Capital outlay	41,000	28,272	12,728	90,250
Other	-	233	(233)	224
Total streets	<u>4,638,514</u>	<u>4,377,952</u>	<u>260,562</u>	<u>4,046,091</u>
Total public works	<u>5,713,638</u>	<u>5,326,347</u>	<u>387,291</u>	<u>5,039,057</u>
Total expenditures	<u>31,836,770</u>	<u>31,252,734</u>	<u>584,036</u>	<u>29,660,085</u>
OTHER FINANCING USES:				
Transfers to other funds:				
Improvement Project Construction	-	44,490	(44,490)	237,107
General Capital Projects	-	3,373,454	(3,373,454)	2,895,666
Central Equipment	-	9,553	(9,553)	-
Information Technology	-	100	(100)	100,000
Resource Planning	134,500	134,500	-	278,056
Total other financing uses	<u>134,500</u>	<u>3,562,097</u>	<u>(3,427,597)</u>	<u>3,510,829</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ 31,971,270</u></u>	<u><u>\$ 34,814,831</u></u>	<u><u>\$ (2,843,561)</u></u>	<u><u>\$ 33,170,914</u></u>



PROPRIETARY COMBINING AND INDIVIDUAL FUNDS

Enterprise Funds - Nonmajor

Water Resources Fund - This fund is used to account for resources used to administer the City's surface water plan, erosion control, wetland regulations, and environmental programs including planning, projects, and maintenance.

Solid Waste Management Fund - The Solid Waste Management Fund provides collection services for various recyclable materials. Solid waste expenditures are primarily costs for curbside collections.

Field House Fund - The Field House Fund accounts for the operations of an inflatable dome erected over an indoor soccer field from October through March. Activities include soccer, football, golf, and walking.

Internal Service Funds

Central Equipment Fund - The Central Equipment Fund was established to own and maintain all operating equipment of the City. Equipment maintenance, repair, and replacement costs are provided from rental rates which the Central Equipment Fund charges the City's operating departments for use of equipment.

Public Facilities Fund - The Public Facilities Fund was established to provide services for the operations of City facilities. Facility maintenance, repair, and replacement costs are provided from charges to the City's operating departments for use of the facilities.

Information Technology Fund - The Information Technology Fund was established to account for the planning, designing, and implementing of information systems. Equipment and software maintenance repair, and replacement costs are provided from rental rates charged to the City's operating departments for use of equipment.

Risk Management Fund - The Risk Management Fund administers the City's property, casualty, and self-insured worker's compensation insurance programs. Fund revenues are primarily charges to other funds and interest earnings.

Employee Benefits Fund - The Employee Benefits Fund serves as the recording fund for all employee fringe benefits. Fund revenues are primarily charges to other funds and interest earnings.

Resource Planning Fund - The Resource Planning Fund is used to account for the accumulation of resources for future projects.

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)

	<u>Water Resources</u>	<u>Solid Waste Management</u>	<u>Field House</u>	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
<u>ASSETS</u>					
Current assets:					
Cash and investments	\$ 3,350,306	\$ 2,220,051	\$ 1,509,056	\$ 7,079,413	\$ 7,320,587
Accounts receivable	-	-	11,161	11,161	13,563
Accrued interest receivable	11,362	7,702	5,236	24,300	25,270
Due from other governments	-	5,837	383	6,220	20,003
Prepaid items	5,250	600	1,305	7,155	3,673
Total current assets	<u>3,366,918</u>	<u>2,234,190</u>	<u>1,527,141</u>	<u>7,128,249</u>	<u>7,383,096</u>
Noncurrent assets:					
Capital assets:					
Land	-	-	47,551	47,551	47,551
Buildings	-	-	1,306,187	1,306,187	1,306,187
Improvements other than buildings	2,332,237	80,063	248,368	2,660,668	2,510,929
Machinery and equipment	241,674	-	161,990	403,664	403,664
Infrastructure	9,239,427	-	-	9,239,427	7,332,691
Construction in progress	222,791	-	-	222,791	85,696
Total capital assets	<u>12,036,129</u>	<u>80,063</u>	<u>1,764,096</u>	<u>13,880,288</u>	<u>11,686,718</u>
Less accumulated depreciation	<u>(1,242,382)</u>	<u>(2,622)</u>	<u>(913,403)</u>	<u>(2,158,407)</u>	<u>(1,791,263)</u>
Net capital assets	<u>10,793,747</u>	<u>77,441</u>	<u>850,693</u>	<u>11,721,881</u>	<u>9,895,455</u>
TOTAL ASSETS	<u><u>\$ 14,160,665</u></u>	<u><u>\$ 2,311,631</u></u>	<u><u>\$ 2,377,834</u></u>	<u><u>\$ 18,850,130</u></u>	<u><u>\$ 17,278,551</u></u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 84,717	\$ 61,108	\$ 23,258	\$ 169,083	\$ 114,961
Contracts payable	6,960	-	-	6,960	39,005
Accrued salaries and benefits payable	22,335	2,780	4,276	29,391	24,014
Due to other governments	26,340	-	-	26,340	37,569
Unearned revenue	-	-	73,784	73,784	62,543
Total liabilities	<u>140,352</u>	<u>63,888</u>	<u>101,318</u>	<u>305,558</u>	<u>278,092</u>
<u>NET POSITION</u>					
Net investment in capital assets	10,793,747	77,441	850,693	11,721,881	9,895,455
Restricted	3,226,566	-	-	3,226,566	3,493,634
Unrestricted	-	2,170,302	1,425,823	3,596,125	3,611,370
Total net position	<u>14,020,313</u>	<u>2,247,743</u>	<u>2,276,516</u>	<u>18,544,572</u>	<u>17,000,459</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 14,160,665</u></u>	<u><u>\$ 2,311,631</u></u>	<u><u>\$ 2,377,834</u></u>	<u><u>\$ 18,850,130</u></u>	<u><u>\$ 17,278,551</u></u>

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

	<u>Water</u>	<u>Solid Waste</u>	<u>Field</u>	<u>Totals</u>	
	<u>Resources</u>	<u>Management</u>	<u>House</u>	<u>2014</u>	<u>2013</u>
OPERATING REVENUES:					
Charges for services	\$ 2,661,979	\$ 428,534	\$ 371,943	\$ 3,462,456	\$ 3,420,082
Other fees	16,937	68,986	5,878	91,801	109,234
Total operating revenue	<u>2,678,916</u>	<u>497,520</u>	<u>377,821</u>	<u>3,554,257</u>	<u>3,529,316</u>
OPERATING EXPENSES:					
Personal services	655,971	100,193	110,381	866,545	919,769
Materials and supplies	137,406	9,999	7,121	154,526	165,221
Contractual services	938,517	808,801	135,108	1,882,426	1,786,165
Depreciation	294,322	2,438	70,384	367,144	317,388
Total operating expenses	<u>2,026,216</u>	<u>921,431</u>	<u>322,994</u>	<u>3,270,641</u>	<u>3,188,543</u>
OPERATING INCOME (LOSS)	<u>652,700</u>	<u>(423,911)</u>	<u>54,827</u>	<u>283,616</u>	<u>340,773</u>
NONOPERATING REVENUES:					
Investment earnings (loss)	108,792	75,306	43,056	227,154	(120,921)
Intergovernmental	4,317	197,233	-	201,550	399,096
Other	26,100	1,000	-	27,100	5,607
Total nonoperating revenues	<u>139,209</u>	<u>273,539</u>	<u>43,056</u>	<u>455,804</u>	<u>283,782</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	791,909	(150,372)	97,883	739,420	624,555
CAPITAL CONTRIBUTIONS	1,201,599	-	-	1,201,599	1,256,019
TRANSFERS OUT	<u>(375,153)</u>	<u>(17,929)</u>	<u>(3,824)</u>	<u>(396,906)</u>	<u>(365,307)</u>
CHANGES IN NET POSITION	1,618,355	(168,301)	94,059	1,544,113	1,515,267
NET POSITION AT BEGINNING OF YEAR	<u>12,401,958</u>	<u>2,416,044</u>	<u>2,182,457</u>	<u>17,000,459</u>	<u>15,485,192</u>
NET POSITION AT END OF YEAR	<u>\$ 14,020,313</u>	<u>\$ 2,247,743</u>	<u>\$ 2,276,516</u>	<u>\$ 18,544,572</u>	<u>\$ 17,000,459</u>

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

	<u>Water</u>	<u>Solid Waste</u>	<u>Field</u>	<u>Totals</u>	
	<u>Resources</u>	<u>Management</u>	<u>House</u>	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers or users	\$ 2,684,666	\$ 505,936	\$ 391,081	\$ 3,581,683	\$ 3,511,146
Payments to suppliers	(1,032,767)	(826,794)	(137,980)	(1,997,541)	(1,913,710)
Payments to employees	(652,382)	(99,186)	(109,600)	(861,168)	(917,230)
Other operating revenue	26,100	1,000	-	27,100	5,607
Net cash flows from operating activities	<u>1,025,617</u>	<u>(419,044)</u>	<u>143,501</u>	<u>750,074</u>	<u>685,813</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Intergovernmental revenues	4,317	197,233	-	201,550	399,096
Transfers out to other funds	(375,153)	(17,929)	(3,824)	(396,906)	(365,307)
Net cash flows from noncapital financing activities	<u>(370,836)</u>	<u>179,304</u>	<u>(3,824)</u>	<u>(195,356)</u>	<u>33,789</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(1,010,191)	(13,825)	-	(1,024,016)	(1,362,846)
Contributions	-	-	-	-	731,121
Net cash used by capital and related financing activities	<u>(1,010,191)</u>	<u>(13,825)</u>	<u>-</u>	<u>(1,024,016)</u>	<u>(631,725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment earnings (loss)	<u>109,844</u>	<u>75,879</u>	<u>42,401</u>	<u>228,124</u>	<u>(123,741)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(245,566)	(177,686)	182,078	(241,174)	(35,864)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,595,872</u>	<u>2,397,737</u>	<u>1,326,978</u>	<u>7,320,587</u>	<u>7,356,451</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 3,350,306</u></u>	<u><u>\$ 2,220,051</u></u>	<u><u>\$ 1,509,056</u></u>	<u><u>\$ 7,079,413</u></u>	<u><u>\$ 7,320,587</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	<u>\$ 652,700</u>	<u>\$ (423,911)</u>	<u>\$ 54,827</u>	<u>\$ 283,616</u>	<u>\$ 340,773</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	294,322	2,438	70,384	367,144	317,388
Other revenue	26,100	1,000	-	27,100	5,607
Changes in assets and liabilities:					
Accounts receivable	-	-	2,402	2,402	11,162
Due from other governments	5,750	8,416	(383)	13,783	(20,003)
Prepaid expenses	(3,414)	-	(68)	(3,482)	41
Accounts payable	49,049	756	4,317	54,122	1,850
Due to other governments	(2,479)	(8,750)	-	(11,229)	35,785
Accrued salaries payable	3,589	1,007	781	5,377	2,539
Unearned revenue	-	-	11,241	11,241	(9,329)
Total adjustments	<u>372,917</u>	<u>4,867</u>	<u>88,674</u>	<u>466,458</u>	<u>345,040</u>
Net cash flows from operating activities	<u><u>\$ 1,025,617</u></u>	<u><u>\$ (419,044)</u></u>	<u><u>\$ 143,501</u></u>	<u><u>\$ 750,074</u></u>	<u><u>\$ 685,813</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Contributions of capital assets from City funds	248,229	-	-	248,229	844,625
Contributions of capital assets from others	953,370	-	-	953,370	411,394
Increase (decrease) in capital assets from accounts and contracts payable	(32,045)	-	-	(32,045)	(240,524)

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)

	Central Equipment	Public Facilities	Information Technology	Risk Management
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 6,515,562	\$ 5,094,069	\$ 4,896,012	\$ 6,920,641
Accounts receivable	-	-	503	1,568
Accrued interest receivable	22,603	17,671	16,984	23,988
Due from other governments	6,791	-	6,273	5,000
Inventory	145,716	-	-	-
Prepaid items	13,254	1,841	222,122	106,734
Total current assets	<u>6,703,926</u>	<u>5,113,581</u>	<u>5,141,894</u>	<u>7,057,931</u>
Noncurrent assets:				
Capital assets:				
Land	33,520	-	-	-
Buildings	-	636,652	-	-
Improvements other than buildings	-	193,946	503,639	-
Machinery and equipment	16,251,362	493,097	1,793,895	-
Construction in progress	645,545	-	25,000	-
Total capital assets	<u>16,930,427</u>	<u>1,323,695</u>	<u>2,322,534</u>	<u>-</u>
Less accumulated depreciation	<u>(9,750,699)</u>	<u>(161,871)</u>	<u>(1,731,939)</u>	<u>-</u>
Net capital assets	<u>7,179,728</u>	<u>1,161,824</u>	<u>590,595</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 13,883,654</u>	<u>\$ 6,275,405</u>	<u>\$ 5,732,489</u>	<u>\$ 7,057,931</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 486,651	\$ 66,078	\$ 16,709	\$ 404,302
Accrued salaries and benefits payable	13,589	7,540	20,476	4,513
Compensated absences payable	-	-	-	-
Due to other governments	-	-	270	-
Unearned revenue	-	-	-	-
Total current liabilities	<u>500,240</u>	<u>73,618</u>	<u>37,455</u>	<u>408,815</u>
Noncurrent liabilities:				
OPEB (net)	-	-	-	-
Compensated absences payable	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>500,240</u>	<u>73,618</u>	<u>37,455</u>	<u>408,815</u>
<u>NET POSITION</u>				
Net investment in capital assets	7,179,728	1,161,824	590,595	-
Unrestricted	<u>6,203,686</u>	<u>5,039,963</u>	<u>5,104,439</u>	<u>6,649,116</u>
Total net position	<u>13,383,414</u>	<u>6,201,787</u>	<u>5,695,034</u>	<u>6,649,116</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 13,883,654</u>	<u>\$ 6,275,405</u>	<u>\$ 5,732,489</u>	<u>\$ 7,057,931</u>

Employee Benefits	Resource Planning	Totals	
		2014	2013
\$ 4,725,814	\$ 2,278,956	\$ 30,431,054	\$ 29,338,626
-	465	2,536	12,585
16,169	7,900	105,315	101,103
-	-	18,064	24,334
-	-	145,716	149,321
-	-	343,951	229,892
<u>4,741,983</u>	<u>2,287,321</u>	<u>31,046,636</u>	<u>29,855,861</u>
-	-	33,520	33,520
-	-	636,652	578,661
-	-	697,585	633,671
-	-	18,538,354	18,573,231
-	-	670,545	-
-	-	20,576,656	19,819,083
-	-	(11,644,509)	(12,019,387)
-	-	8,932,147	7,799,696
<u>\$ 4,741,983</u>	<u>\$ 2,287,321</u>	<u>\$ 39,978,783</u>	<u>\$ 37,655,557</u>
\$ 58,984	\$ 21,224	\$ 1,053,948	\$ 852,637
24,935	-	71,053	60,057
1,768,538	-	1,768,538	1,596,629
1,008	-	1,278	4,714
-	-	-	5,202
<u>1,853,465</u>	<u>21,224</u>	<u>2,894,817</u>	<u>2,519,239</u>
1,288,699	-	1,288,699	1,135,565
736,530	-	736,530	892,217
<u>2,025,229</u>	<u>-</u>	<u>2,025,229</u>	<u>2,027,782</u>
<u>3,878,694</u>	<u>21,224</u>	<u>4,920,046</u>	<u>4,547,021</u>
-	-	8,932,147	7,799,696
863,289	2,266,097	26,126,590	25,308,840
<u>863,289</u>	<u>2,266,097</u>	<u>35,058,737</u>	<u>33,108,536</u>
<u>\$ 4,741,983</u>	<u>\$ 2,287,321</u>	<u>\$ 39,978,783</u>	<u>\$ 37,655,557</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
OPERATING REVENUES:				
Charges for services	\$ 3,097,764	\$ 1,819,610	\$ 1,651,310	\$ 965,689
Other fees	-	-	-	210,690
Total operating revenue	<u>3,097,764</u>	<u>1,819,610</u>	<u>1,651,310</u>	<u>1,176,379</u>
OPERATING EXPENSES:				
Personal services	411,718	219,046	651,792	153,498
Materials and supplies	803,429	32,980	449,714	5,760
Insurance Claims	-	-	-	404,613
Contractual services	274,703	842,299	718,561	354,829
Depreciation	1,108,881	56,761	191,226	-
Total operating expenses	<u>2,598,731</u>	<u>1,151,086</u>	<u>2,011,293</u>	<u>918,700</u>
OPERATING INCOME (LOSS)	<u>499,033</u>	<u>668,524</u>	<u>(359,983)</u>	<u>257,679</u>
NONOPERATING REVENUES:				
Investment earnings (loss)	202,557	147,409	163,905	214,306
Intergovernmental	(208)	-	14,170	5,000
Gain on disposal of capital assets	139,375	-	5,000	-
Other	5,422	5,533	2,848	-
Total nonoperating revenues	<u>347,146</u>	<u>152,942</u>	<u>185,923</u>	<u>219,306</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>846,179</u>	<u>821,466</u>	<u>(174,060)</u>	<u>476,985</u>
CAPITAL CONTRIBUTIONS	105,546	-	16,728	-
TRANSFERS IN	120,607	-	23,725	-
TRANSFERS OUT	<u>-</u>	<u>(118,831)</u>	<u>-</u>	<u>(22,442)</u>
CHANGES IN NET POSITION	<u>1,072,332</u>	<u>702,635</u>	<u>(133,607)</u>	<u>454,543</u>
NET POSITION AT BEGINNING OF YEAR	<u>12,311,082</u>	<u>5,499,152</u>	<u>5,828,641</u>	<u>6,194,573</u>
NET POSITION AT END OF YEAR	<u>\$ 13,383,414</u>	<u>\$ 6,201,787</u>	<u>\$ 5,695,034</u>	<u>\$ 6,649,116</u>

Employee Benefits	Resource Planning	Totals	
		2014	2013
\$ 3,529,521	\$ 210,854	\$ 11,274,748	\$ 10,300,553
-	-	210,690	131,376
<u>3,529,521</u>	<u>210,854</u>	<u>11,485,438</u>	<u>10,431,929</u>
3,706,143	-	5,142,197	4,789,547
-	531,776	1,823,659	1,112,501
-	-	404,613	288,374
843	8,723	2,199,958	2,070,873
-	-	1,356,868	1,393,390
<u>3,706,986</u>	<u>540,499</u>	<u>10,927,295</u>	<u>9,654,685</u>
<u>(177,465)</u>	<u>(329,645)</u>	<u>558,143</u>	<u>777,244</u>
156,642	74,899	959,718	(459,049)
-	25,524	44,486	8,716
-	-	144,375	91,181
8,876	11,712	34,391	36,534
<u>165,518</u>	<u>112,135</u>	<u>1,182,970</u>	<u>(322,618)</u>
(11,947)	(217,510)	1,741,113	454,626
-	62,709	184,983	168,350
-	145,500	289,832	980,310
-	(124,454)	(265,727)	(416,128)
(11,947)	(133,755)	1,950,201	1,187,158
<u>875,236</u>	<u>2,399,852</u>	<u>33,108,536</u>	<u>31,921,378</u>
<u>\$ 863,289</u>	<u>\$ 2,266,097</u>	<u>\$ 35,058,737</u>	<u>\$ 33,108,536</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 3,107,337	\$ 1,819,610	\$ 1,644,534	\$ 1,169,811
Payments to suppliers	(681,443)	(857,347)	(1,325,737)	(951,521)
Payments to employees	(409,071)	(217,593)	(648,211)	(152,683)
Other operating revenue	5,422	5,533	2,848	-
Net cash flows from operating activities	<u>2,022,245</u>	<u>750,203</u>	<u>(326,566)</u>	<u>65,607</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenues	(208)	-	14,170	5,000
Transfers in from other funds	120,607	-	23,725	-
Transfers out to other funds	-	(118,831)	-	(22,442)
Net cash flows from noncapital financing activities	<u>120,399</u>	<u>(118,831)</u>	<u>37,895</u>	<u>(17,442)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(2,450,165)	(120,410)	(87,635)	-
Contributions	105,546	-	16,728	-
Proceeds from sale of capital assets	308,266	-	5,000	-
Net cash flows from capital and related financing activities	<u>(2,036,353)</u>	<u>(120,410)</u>	<u>(65,907)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings (loss)	<u>201,380</u>	<u>145,054</u>	<u>164,549</u>	<u>213,287</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	307,671	656,016	(190,029)	261,452
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>6,207,891</u>	<u>4,438,053</u>	<u>5,086,041</u>	<u>6,659,189</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 6,515,562</u></u>	<u><u>\$ 5,094,069</u></u>	<u><u>\$ 4,896,012</u></u>	<u><u>\$ 6,920,641</u></u>

(Continued...)

Employee Benefits	Resource Planning	Totals	
		2014	2013
\$ 3,532,491	\$ 218,738	\$ 11,492,521	\$ 10,387,541
149,501	(521,128)	(4,187,675)	(4,155,826)
(3,683,387)	-	(5,110,945)	(4,503,206)
8,876	11,712	34,391	63,717
<u>7,481</u>	<u>(290,678)</u>	<u>2,228,292</u>	<u>1,792,226</u>
-	25,524	44,486	8,716
-	145,500	289,832	980,310
-	(124,454)	(265,727)	(416,128)
<u>-</u>	<u>46,570</u>	<u>68,591</u>	<u>572,898</u>
-	-	(2,658,210)	(1,817,039)
-	62,709	184,983	168,350
-	-	313,266	143,564
<u>-</u>	<u>62,709</u>	<u>(2,159,961)</u>	<u>(1,505,125)</u>
<u>156,014</u>	<u>75,222</u>	<u>955,506</u>	<u>(472,627)</u>
163,495	(106,177)	1,092,428	387,372
<u>4,562,319</u>	<u>2,385,133</u>	<u>29,338,626</u>	<u>28,951,254</u>
<u>\$ 4,725,814</u>	<u>\$ 2,278,956</u>	<u>\$ 30,431,054</u>	<u>\$ 29,338,626</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

(Continued from previous page)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 499,033	\$ 668,524	\$ (359,983)	\$ 257,679
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	1,108,881	56,761	191,226	-
Other revenues	5,422	5,533	2,848	-
Changes in assets and liabilities:				
Accounts receivable	-	-	(503)	(1,568)
Due from other governments	9,573	-	(6,273)	-
Inventory	3,605	-	-	-
Prepaid expenses	(11,784)	50	(117,114)	14,167
Accounts payable	407,246	17,893	(40,165)	(200,486)
Due to other governments	(2,378)	(11)	(183)	-
Accrued salaries payable	2,647	1,453	3,581	815
OPEB	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue	-	-	-	(5,000)
Total adjustments	<u>1,523,212</u>	<u>81,679</u>	<u>33,417</u>	<u>(192,072)</u>
Net cash flows from operating activities	<u>\$ 2,022,245</u>	<u>\$ 750,203</u>	<u>\$ (326,566)</u>	<u>\$ 65,607</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets from City funds	157,098	-	40,353	-
Trade-in values on capital asset purchases	222,673	-	-	-
Transfer of capital assets to other City funds	-	-	-	-
Increase (decrease) in capital assets from accounts and contracts payable	-	-	-	-

Employee Benefits	Resource Planning	Totals	
		2014	2013
\$ (177,465)	\$ (329,645)	\$ 558,143	\$ 777,244
-	-	1,356,868	1,393,390
8,876	11,712	34,391	36,534
4,034	8,086	10,049	(12,585)
2,970	-	6,270	(12,860)
-	-	3,605	(15,939)
-	622	(114,059)	(38,088)
(1,945)	18,768	201,311	(632,084)
(845)	(19)	(3,436)	(3,218)
2,500	-	10,996	2,982
153,134	-	153,134	190,337
16,222	-	16,222	102,307
-	(202)	(5,202)	4,206
<u>184,946</u>	<u>38,967</u>	<u>1,670,149</u>	<u>1,014,982</u>
<u>\$ 7,481</u>	<u>\$ (290,678)</u>	<u>\$ 2,228,292</u>	<u>\$ 1,792,226</u>

-	-	197,451	255,972
-	-	222,673	101,860
-	-	-	(11,845)
-	-	-	(137,431)

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COMPONENT UNIT FINANCIAL STATEMENTS

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH (HRA)

The HRA is a component unit of the City. Its operations are presented as a separate column on the combined financial statements labeled component unit.

GOVERNMENTAL FUNDS

Housing and Redevelopment Authority General Fund - This fund is used to account for the general programs and activities of the HRA. Revenues are derived from the HRA property tax levy. Expenditures include rental subsidies for senior citizens, housing planning, and other general housing and redevelopment activities.

Housing Assistance Special Revenue Fund - This fund is used to account for federal grants used for low-income rental assistance.

PROPRIETARY FUNDS

Plymouth Towne Square Enterprise Fund - This fund accounts for the operation of the Plymouth Towne Square Senior Housing Development. This development is a 99-unit senior independent living community for moderate and low-income Plymouth citizens. A portion of the HRA property tax levy subsidizes the project.

Vicksburg Crossing Enterprise Fund - This fund accounts for the operation of the Vicksburg Crossing Senior Housing Development. This development is a 96-unit senior independent living community for Plymouth citizens. A portion of the units are rented at affordable rental rates and the remainder are at market rates.

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,487,428	\$ 2,531,635	\$ 5,019,063
Restricted cash and investments	-	9,321,060	9,321,060
Accounts receivable	7,933	903	8,836
Notes receivable	1,133,944	-	1,133,944
Taxes receivable	5,939	-	5,939
Accrued interest receivable	97,796	23,202	120,998
Due from other governments	41,644	-	41,644
Prepaid items	238,555	44,554	283,109
Capital assets:			
Nondepreciable:			
Land	-	1,333,840	1,333,840
Depreciable (net):			
Buildings	150,840	9,251,668	9,402,508
Improvements other than buildings	-	180,827	180,827
Machinery and equipment	-	250,919	250,919
TOTAL ASSETS	<u>\$ 4,164,079</u>	<u>\$ 22,938,608</u>	<u>\$ 27,102,687</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 14,556	\$ 26,015	\$ 40,571
Accrued salaries and benefits payable	13,756	9,481	23,237
Deposits payable	20,000	118,043	138,043
Due to other governments	723	88,914	89,637
Accrued interest payable	-	310,890	310,890
Noncurrent liabilities:			
Due within one year	-	9,694,436	9,694,436
Due in more than one year	-	12,550,197	12,550,197
Total liabilities	<u>49,035</u>	<u>22,797,976</u>	<u>22,847,011</u>
<u>NET POSITION</u>			
Net investment in capital assets	150,840	(1,901,883)	(1,751,043)
Restricted for:			
Debt Service	-	478,224	478,224
Housing projects	3,964,204	-	3,964,204
Unrestricted	-	1,564,291	1,564,291
Total net position	<u>4,115,044</u>	<u>140,632</u>	<u>4,255,676</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,164,079</u>	<u>\$ 22,938,608</u>	<u>\$ 27,102,687</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Public service	\$ 3,352,763	\$ 16,463	\$ 3,047,468	\$ -
Business-type activities:				
Plymouth Towne Square	768,224	685,381	-	-
Vicksburg Crossing	1,568,124	1,182,171	-	-
Total business-type activities	2,336,348	1,867,552	-	-
Total HRA government	<u>\$ 5,689,111</u>	<u>\$ 1,884,015</u>	<u>\$ 3,047,468</u>	<u>\$ -</u>

GENERAL REVENUES:

Property taxes
Unrestricted interest income
Other

TRANSFERS

Total general revenues

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (288,832)	\$ -	\$ (288,832)
-	(82,843)	(82,843)
-	(385,953)	(385,953)
(288,832)	(468,796)	(757,628)
530,723	-	530,723
72,157	90,834	162,991
10,031	5,314	15,345
(265,008)	265,008	-
347,903	361,156	709,059
59,071	(107,640)	(48,569)
4,055,973	248,272	4,304,245
\$ 4,115,044	\$ 140,632	\$ 4,255,676

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)

	General	Housing Assistance	Totals	
			2014	2013
ASSETS				
Cash and investments	\$ 2,193,084	\$ 294,344	\$ 2,487,428	\$ 2,423,566
Accounts receivable	825	7,108	7,933	36,770
Notes receivable	1,133,944	-	1,133,944	1,143,955
Taxes receivable	5,939	-	5,939	7,584
Accrued interest receivable	97,796	-	97,796	91,180
Due from other governments	-	41,644	41,644	2,091
Prepaid items	458	238,097	238,555	237,963
TOTAL ASSETS	\$ 3,432,046	\$ 581,193	\$ 4,013,239	\$ 3,943,109
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 768	\$ 13,788	\$ 14,556	\$ 9,910
Accrued salaries and benefits payable	6,279	7,477	13,756	11,910
Deposits Payable	20,000	-	20,000	20,000
Due to other governments	-	723	723	1,995
Total liabilities	<u>27,047</u>	<u>21,988</u>	<u>49,035</u>	<u>43,815</u>
Deferred inflows of resources:				
Unavailable revenue	<u>1,229,328</u>	<u>30,168</u>	<u>1,259,496</u>	<u>1,268,318</u>
Fund balances:				
Nonspendable				
Prepaid items	458	238,097	238,555	237,963
Restricted for housing projects	2,175,213	290,940	2,466,153	2,393,013
Total fund balances	<u>2,175,671</u>	<u>529,037</u>	<u>2,704,708</u>	<u>2,630,976</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,432,046	\$ 581,193	\$ 4,013,239	\$ 3,943,109

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2014**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 2,704,708

Amounts reported for governmental activities in the statement of net position are different because:

1. Capital assets used in governmental activities are not financial resources, therefore are not reported in the fund statements.

Capital assets	175,169	
Accumulated depreciation	<u>(24,329)</u>	150,840

2. Unavailable revenue in governmental funds is susceptible to full accrual on government-wide statements.

	<u>1,259,496</u>	
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NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,115,044

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

	General	Housing Assistance	Totals	
			2014	2013
REVENUES:				
Property taxes	\$ 530,282	\$ -	\$ 530,282	\$ 528,505
Intergovernmental	13	3,056,718	3,056,731	3,203,005
Charges for services	16,463	-	16,463	9,900
Interest income (loss)	72,132	25	72,157	(30,954)
Other revenues	10,031	-	10,031	28,750
Total revenues	<u>628,921</u>	<u>3,056,743</u>	<u>3,685,664</u>	<u>3,739,206</u>
EXPENDITURES:				
Current:				
Public service	<u>233,791</u>	<u>3,113,133</u>	<u>3,346,924</u>	<u>3,502,942</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>395,130</u>	<u>(56,390)</u>	<u>338,740</u>	<u>236,264</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(265,008)</u>	<u>-</u>	<u>(265,008)</u>	<u>(236,004)</u>
NET CHANGE IN FUND BALANCE	130,122	(56,390)	73,732	260
FUND BALANCES AT BEGINNING OF YEAR	<u>2,045,549</u>	<u>585,427</u>	<u>2,630,976</u>	<u>2,630,716</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,175,671</u>	<u>\$ 529,037</u>	<u>\$ 2,704,708</u>	<u>\$ 2,630,976</u>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 73,732

Amounts reported for governmental activities in the statement of activities are different because:

1. Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.
 Depreciation expense (5,839)

2. Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. (8,822)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 59,071

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	2014		Variance with Final Budget	2013
	Original and Final Budget	Actual		Actual
REVENUES:				
Property taxes	\$ 537,777	\$ 530,282	\$ (7,495)	\$ 528,505
Intergovernmental	-	13	13	14
Charges for services	9,900	16,463	6,563	9,900
Interest income (loss)	15,000	72,132	57,132	(25,966)
Other revenues	41,000	10,031	(30,969)	28,750
Total revenues	<u>603,677</u>	<u>628,921</u>	<u>25,244</u>	<u>541,203</u>
EXPENDITURES:				
Public service:				
Personal services	201,704	201,008	696	183,693
Materials and supplies	700	151	549	190
Contractual services:				
Other	100,015	32,632	67,383	41,506
Total expenditures	<u>302,419</u>	<u>233,791</u>	<u>68,628</u>	<u>225,389</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>301,258</u>	<u>395,130</u>	<u>93,872</u>	<u>315,814</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(301,258)</u>	<u>(265,008)</u>	<u>36,250</u>	<u>(236,004)</u>
NET CHANGE IN FUND BALANCE	-	130,122	130,122	79,810
FUND BALANCES AT BEGINNING OF YEAR	<u>2,045,549</u>	<u>2,045,549</u>	-	<u>1,965,739</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,045,549</u>	<u>\$ 2,175,671</u>	<u>\$ 130,122</u>	<u>\$ 2,045,549</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
HOUSING ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(with comparative actual amounts for year ended December 31, 2013)

	2014			2013
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 3,294,898	\$ 3,056,718	\$ (238,180)	\$ 3,202,991
Interest income (loss)	7,000	25	(6,975)	(4,988)
Total revenues	<u>3,301,898</u>	<u>3,056,743</u>	<u>(245,155)</u>	<u>3,198,003</u>
EXPENDITURES:				
Public service:				
Personal services	233,416	214,746	18,670	233,454
Materials and supplies	50	-	50	43
Contractual services:				
Housing assistance	3,028,900	2,865,955	162,945	2,998,949
Other	39,532	32,432	7,100	45,107
Total expenditures	<u>3,301,898</u>	<u>3,113,133</u>	<u>188,765</u>	<u>3,277,553</u>
NET CHANGE IN FUND BALANCE	-	(56,390)	(56,390)	(79,550)
FUND BALANCES AT BEGINNING OF YEAR	<u>585,427</u>	<u>585,427</u>	<u>-</u>	<u>664,977</u>
FUND BALANCES AT END OF YEAR	<u>\$ 585,427</u>	<u>\$ 529,037</u>	<u>\$ (56,390)</u>	<u>\$ 585,427</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)

	Plymouth	Vicksburg	Totals	
	Towne Square	Crossing	2014	2013
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 1,180,143	\$ 1,351,492	\$ 2,531,635	\$ 2,369,011
Restricted cash and investments	-	9,321,060	9,321,060	-
Accounts receivable	9	894	903	820
Accrued interest receivable	3,749	19,453	23,202	22,817
Prepaid items	21,916	22,638	44,554	33,240
Total current assets	<u>1,205,817</u>	<u>10,715,537</u>	<u>11,921,354</u>	<u>2,425,888</u>
Noncurrent assets:				
Restricted cash and investments	-	-	-	9,532,645
Capital assets:				
Land	459,247	874,593	1,333,840	1,333,840
Buildings	6,069,397	9,025,428	15,094,825	15,094,825
Improvements other than buildings	111,390	238,793	350,183	350,183
Machinery and equipment	417,038	363,713	780,751	751,382
Total capital assets	<u>7,057,072</u>	<u>10,502,527</u>	<u>17,559,599</u>	<u>17,530,230</u>
Less accumulated depreciation	<u>(3,572,239)</u>	<u>(2,970,106)</u>	<u>(6,542,345)</u>	<u>(5,979,692)</u>
Net capital assets	<u>3,484,833</u>	<u>7,532,421</u>	<u>11,017,254</u>	<u>11,550,538</u>
Total noncurrent assets	<u>3,484,833</u>	<u>7,532,421</u>	<u>11,017,254</u>	<u>21,083,183</u>
TOTAL ASSETS	<u>\$ 4,690,650</u>	<u>\$ 18,247,958</u>	<u>\$ 22,938,608</u>	<u>\$ 23,509,071</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 15,170	\$ 10,845	\$ 26,015	\$ 35,423
Accrued salaries and benefits payable	4,955	4,526	9,481	7,561
Deposits payable	56,615	61,428	118,043	113,335
Due to other governments	31,859	57,055	88,914	86,369
Accrued interest payable	20,234	290,656	310,890	316,182
Compensated absences payable	2,218	2,218	4,436	2,908
Revenue bonds payable	255,000	9,435,000	9,690,000	455,000
Total current liabilities	<u>386,051</u>	<u>9,861,728</u>	<u>10,247,779</u>	<u>1,016,778</u>
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized premiums/discounts)	2,470,288	10,079,909	12,550,197	22,244,021
Total liabilities	<u>2,856,339</u>	<u>19,941,637</u>	<u>22,797,976</u>	<u>23,260,799</u>
<u>NET POSITION</u>				
Net investment in capital assets	759,545	(2,661,428)	(1,901,883)	(1,615,838)
Restricted for debt service	111,744	366,480	478,224	459,179
Unrestricted	963,022	601,269	1,564,291	1,404,931
Total net position	<u>1,834,311</u>	<u>(1,693,679)</u>	<u>140,632</u>	<u>248,272</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,690,650</u>	<u>\$ 18,247,958</u>	<u>\$ 22,938,608</u>	<u>\$ 23,509,071</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2014	2013
OPERATING REVENUES:				
Rental revenue	\$ 685,381	\$ 1,182,171	\$ 1,867,552	\$ 1,839,075
Other	1,204	4,110	5,314	5,080
Total operating revenues	<u>686,585</u>	<u>1,186,281</u>	<u>1,872,866</u>	<u>1,844,155</u>
OPERATING EXPENSES:				
Personal services	117,287	115,475	232,762	193,614
Materials and supplies	36,200	11,538	47,738	30,255
Contractual services	336,581	374,543	711,124	709,296
Depreciation	197,407	365,246	562,653	569,794
Total operating expenses	<u>687,475</u>	<u>866,802</u>	<u>1,554,277</u>	<u>1,502,959</u>
OPERATING INCOME (LOSS)	<u>(890)</u>	<u>319,479</u>	<u>318,589</u>	<u>341,196</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	31,956	58,878	90,834	43,291
Gain (loss) on sale of asset	-	-	-	(1,030)
Amortization	6,318	(2,494)	3,824	3,825
Interest expense	(87,067)	(698,828)	(785,895)	(815,029)
Total nonoperating revenues (expenses)	<u>(48,793)</u>	<u>(642,444)</u>	<u>(691,237)</u>	<u>(768,943)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(49,683)</u>	<u>(322,965)</u>	<u>(372,648)</u>	<u>(427,747)</u>
TRANSFERS IN	<u>215,004</u>	<u>50,004</u>	<u>265,008</u>	<u>236,004</u>
CHANGES IN NET POSITION	165,321	(272,961)	(107,640)	(191,743)
NET POSITION AT BEGINNING OF YEAR	<u>1,668,990</u>	<u>(1,420,718)</u>	<u>248,272</u>	<u>440,015</u>
NET POSITION AT END OF YEAR	<u>\$ 1,834,311</u>	<u>\$ (1,693,679)</u>	<u>\$ 140,632</u>	<u>\$ 248,272</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for year ended December 31, 2013)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 688,818	\$ 1,183,359	\$ 1,872,177	\$ 1,851,309
Payments to suppliers	(382,257)	(394,781)	(777,039)	(732,290)
Payments to employees	(115,245)	(114,069)	(229,314)	(196,695)
Other operating revenue	1,204	4,110	5,314	5,080
Net cash flows from operating activities	<u>192,520</u>	<u>678,619</u>	<u>871,138</u>	<u>927,404</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in from other funds	<u>215,004</u>	<u>50,004</u>	<u>265,008</u>	<u>236,004</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(16,072)	(13,297)	(29,369)	-
Principal paid on capital debt	(250,000)	(205,000)	(455,000)	(430,000)
Interest paid on capital debt	(88,942)	(702,245)	(791,187)	(887,670)
Net cash flows from capital and related financing activities	<u>(355,014)</u>	<u>(920,542)</u>	<u>(1,275,556)</u>	<u>(1,317,670)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	31,553	58,895	90,449	25,145
Purchase of investments	-	211,585	211,585	278,943
Net cash flows from investing activities	<u>31,553</u>	<u>270,480</u>	<u>302,034</u>	<u>304,088</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>84,063</u>	<u>78,561</u>	<u>162,624</u>	<u>149,826</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,096,080</u>	<u>1,272,931</u>	<u>2,369,011</u>	<u>2,219,185</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,180,143</u>	<u>\$ 1,351,492</u>	<u>\$ 2,531,635</u>	<u>\$ 2,369,011</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ (890)	\$ 319,479	\$ 318,589	\$ 341,196
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	197,407	365,246	562,653	569,794
Changes in assets and liabilities:				
Accounts receivable	811	(894)	(83)	4,915
Prepaid expenses	(6,133)	(5,180)	(11,314)	335
Accounts payable	(3,817)	(5,591)	(9,408)	8,576
Accrued salaries payable	1,278	642	1,920	(3,081)
Due to other governments	474	2,071	2,545	(1,650)
Deposits payable	2,626	2,082	4,708	7,319
Compensated absences payable	764	764	1,528	-
Total adjustments	<u>193,410</u>	<u>359,140</u>	<u>552,549</u>	<u>586,208</u>
Net cash flows from operating activities	<u>\$ 192,520</u>	<u>\$ 678,619</u>	<u>\$ 871,138</u>	<u>\$ 927,404</u>

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - HOUSING CHOICE VOUCHERS
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2014**

ASSETS

Current assets:

111	Cash - unrestricted	\$	264,733
113	Cash - other restricted		15,888
121	Accounts receivable - PHA projects		5,725
122	Accounts receivable - HUD projects		12,859
128	Fraud recovery		30,168
142	Prepaid expenses and other assets		<u>238,097</u>
190	Total assets	\$	<u><u>567,470</u></u>

LIABILITIES

Current liabilities:

312	Accounts payable <= 90 days	\$	65
321	Accrued wage/payroll taxes payable		7,477
332	Accounts payable - PHA projects		<u>723</u>
310	Total liabilities		8,265

NET POSITION

511.4	Restricted net position		15,165
512.4	Unrestricted net position		<u>544,040</u>
513	Total net position		<u><u>559,205</u></u>
600	Total liabilities and net position	\$	<u><u>567,470</u></u>

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - HOUSING CHOICE VOUCHERS
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2014**

REVENUES:

70600	HUD PHA operating grants	\$ 1,613,106
71100	Investment income - unrestricted	25
71400	Fraud recovery	3,968
71500	Other revenue	1,326,114
70000	Total revenue	<u>2,943,213</u>

OPERATING EXPENSES:

Administrative expenses:		
91100	Administrative salaries	163,059
91200	Auditing fees	5,668
91500	Employee benefit contributions - administrative	51,687
91600	Office expenses	6,525
91900	Other	5,076
91000	Total operating administrative expenses	<u>232,015</u>

Insurance premiums:

96110	Property insurance	1,354
96120	Liability insurance	1,354
96130	Workmen's compensation	1,353
96100	Total insurance premiums	<u>4,061</u>

General expenses

96200	Other general expenses	<u>5,545</u>
96900	Total operating expenses	<u>241,621</u>

EXCESS (DEFICIENCY) OF OPERATING REVENUE
OVER (UNDER) OPERATING EXPENSES

2,701,592

OTHER EXPENSES:

97300	Housing assistance payments	1,515,480
97350	HAP Portability-in	1,249,104
90000	Total other expenses	<u>2,764,584</u>

EXCESS (DEFICIENCY) OF TOTAL REVENUE
OVER (UNDER) TOTAL EXPENSES

(62,992)

NET POSITION AT BEGINNING OF YEAR

622,197

NET POSITION AT END OF YEAR

\$ 559,205

MEMO ACCOUNT INFORMATION:

11170	Administrative fee equity	544,040
11180	Housing assistance payments equity	15,165
	Total net position	<u>\$ 559,205</u>

11190	Unit months available	2,520
11210	Number of unit months leased	2,517

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - MAINSTREAM VOUCHERS
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2014**

ASSETS

Current assets:

115	Cash - restricted for payment of current liabilities	\$	<u>13,723</u>
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LIABILITIES

Current liabilities:

331	Accounts payable - HUD PHA programs	\$	<u>13,723</u>
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The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - MAINSTREAM VOUCHERS
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2014**

REVENUES:		
70600 HUD PHA operating grants		\$ 106,928
OPERATING EXPENSES:		
Administrative expenses:		
91600 Office expenses		<u>11,102</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) OPERATING EXPENSES		95,826
OTHER EXPENSES:		
97300 Housing assistance payments		<u>95,826</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES		-
NET POSITION AT BEGINNING OF YEAR		<u>-</u>
NET POSITION AT END OF YEAR		<u><u>\$ -</u></u>
MEMO ACCOUNT INFORMATION:		
11190 Unit months available		180
11210 Number of unit months leased		180

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - STATE/LOCAL
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2014**

ASSETS

Current assets:

131	Investments - unrestricted	\$	2,193,084
124	Accounts receivable - other government		5,939
125	Accounts receivable - miscellaneous		825
129	Accrued interest receivable		97,796
142	Prepaid expenses and other assets		458
150	Total current assets		<u>2,298,102</u>

Noncurrent assets:

162	Buildings		175,169
166	Accumulated depreciation		(24,329)
171	Notes, loans and mortgages receivable - non-current		1,133,944
180	Total noncurrent assets		<u>1,284,784</u>

190	Total assets	\$	<u>3,582,886</u>
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LIABILITIES

Current liabilities:

312	Accounts payable <= 90 days	\$	768
321	Accrued wage/payroll taxes payable		6,279
345	Other current liabilities		20,000
310	Total current liabilities		<u>27,047</u>

NET POSITION

508.4	Net investment in capital assets		150,840
512.4	Unrestricted net position		3,404,999
513	Total net position		<u>3,555,839</u>
600	Total liabilities and net position	\$	<u>3,582,886</u>

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - STATE/LOCAL
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2014**

REVENUES:

71100	Investment income - unrestricted	\$ 72,132
71500	Other revenue	<u>554,569</u>
70000	Total revenue	626,701

OPERATING EXPENSES:

Administrative expenses:

91100	Administrative salaries	159,289
91200	Auditing fees	1,618
91500	Employee benefit contributions - administrative	41,719
91600	Office expenses	20,445
91700	Legal expense	2,107
91900	Other	<u>2,502</u>
91000	Total administrative expenses	227,680

Ordinary maintenance and operations:

94300	Contracts	3,685
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Insurance premiums:

96110	Property insurance	809
96120	Liability insurance	809
96130	Workmen's compensation	<u>808</u>
96100	Total insurance premiums	<u>2,426</u>

96900	Total operating expenses	<u>233,791</u>
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EXCESS (DEFICIENCY) OF OPERATING REVENUE
OVER (UNDER) OPERATING EXPENSES

392,910

OTHER EXPENSES:

97400	Depreciation	5,839
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OTHER FINANCING USES:

10020	Operating Transfers out	<u>(265,008)</u>
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EXCESS (DEFICIENCY) OF TOTAL REVENUE
OVER (UNDER) TOTAL EXPENSES

122,063

NET POSITION AT BEGINNING OF YEAR

3,433,776

NET POSITION AT END OF YEAR

\$ 3,555,839

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2014**

ASSETS

Current assets:

111	Cash - unrestricted	\$	544,801
114	Cash - tenant security deposit		119,083
131	Investments - unrestricted		1,389,527
132	Investments - restricted		109,284
135	Investments - restricted for payment of current liabilities		9,690,000
125	Accounts receivable - miscellaneous		68
126	Accounts receivable - tenants		835
129	Accrued interest receivable		23,202
142	Prepaid expenses and other assets		44,554
150	Total current assets		<u>11,921,354</u>

Noncurrent assets:

161	Land		1,333,840
162	Buildings		15,445,008
163	Furniture, equipment & machinery - dwellings		750,315
164	Furniture, equipment & machinery - administration		30,436
166	Accumulated depreciation		<u>(6,542,345)</u>
180	Total non-current assets		<u>11,017,254</u>

190	Total assets	\$	<u><u>22,938,608</u></u>
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LIABILITIES

Current liabilities:

312	Accounts payable <= 90 days	\$	26,015
321	Accrued wage/payroll taxes payable		9,481
322	Accrued compensated absences - current portion		4,436
325	Accrued interest payable		310,890
333	Accounts payable - other government		88,914
341	Tenant security deposit		118,043
343	Current portion of long-term debt - capital projects and mortgage revenue bonds		<u>9,690,000</u>
310	Total current liabilities		<u>10,247,779</u>

Noncurrent liabilities:

351	Long-term debt, net of current - capital projects and mortgage revenue bonds		<u>12,550,197</u>
300	Total liabilities		<u>22,797,976</u>

NET POSITION

508.4	Net investment in capital assets		(1,901,883)
511.4	Restricted net position		478,224
512.4	Unrestricted net position		<u>1,564,291</u>
513	Total net position		<u>140,632</u>
600	Total liabilities and net position	\$	<u><u>22,938,608</u></u>

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2014**

REVENUES:

70300	Net tenant rental revenue	\$ 1,778,286
70400	Other revenue	<u>89,266</u>
70500	Total tenant revenue	1,867,552
71100	Investment income - unrestricted	33,519
71500	Other revenue	5,314
72000	Investments income - restricted	<u>57,315</u>
70000	Total revenue	1,963,700

OPERATING EXPENSES:

Administrative expenses:

91100	Administrative salaries	99,452
91200	Auditing fees	1,529
91300	Management fee	103,200
91500	Employee benefit contributions - administrative	51,573
91600	Office expense	<u>35,118</u>
91000	Total administrative expenses	290,872

Tenant services:

92400	Other	11,070
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Utilities:

93100	Water	21,173
93200	Electricity	50,450
93300	Gas	<u>59,918</u>
93000	Total utilities expenses	131,541

Ordinary maintenance and operations:

94100	Labor	80,286
94200	Materials and other	25,098
94300	Contracts	<u>300,724</u>
94000	Total maintenance expenses	406,108

Protective services:

96110	Property insurance	63,119
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General expenses:

96300	Payments in lieu of taxes	88,914
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Interest expense:

96710	Interest on mortgage (or Bonds) payable	<u>782,071</u>
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96900	Total operating expenses	<u>1,773,695</u>
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(Continued...)

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2014**

(Continued from previous page)

EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER (UNDER) OPERATING EXPENSES	190,005
OTHER EXPENSES:	
97400 Depreciation	562,653
OTHER FINANCING SOURCES:	
10010 Operating Transfers in	<u>265,008</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	(107,640)
NET POSITION AT BEGINNING OF YEAR	<u>248,272</u>
NET POSITION AT END OF YEAR	<u>\$ 140,632</u>
MEMO ACCOUNT INFORMATION:	
11020 Required annual debt principal payments	\$ 455,000
11190 Unit months available	2,340
11210 Number of unit months leased	2,296

The notes to the financial data schedule are an integral part of this statement.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL DATA SCHEDULE
Year Ended December 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial data schedules are presented on a full accrual basis of accounting. The information in these schedules is presented in accordance with the U.S. Department of Housing and Urban Development (HUD), Office of Public and Indian Housing, Real Estate Assessment Center and the Financial Assessment Subsystem-Public Housing (FASS-PH). Therefore, some of the amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.



STATISTICAL SECTION

CITY OF PLYMOUTH, MINNESOTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 140,490	\$ 147,612	\$ 150,167	\$ 155,191	\$ 154,183	\$ 155,551	\$ 161,820	\$ 166,158	\$ 166,354	\$ 188,060
Restricted	15,338	17,533	4,772	5,324	5,615	5,744	16,127	16,637	17,234	13,365
Unrestricted	46,982	47,610	70,517	73,960	76,294	79,792	76,773	79,439	83,007	88,808
Total governmental activities net position	<u>\$ 202,810</u>	<u>\$ 212,755</u>	<u>\$ 225,456</u>	<u>\$ 234,475</u>	<u>\$ 236,092</u>	<u>\$ 241,087</u>	<u>\$ 254,720</u>	<u>\$ 262,234</u>	<u>\$ 266,595</u>	<u>\$ 290,233</u>
Business-type activities										
Net investment in capital assets	\$ 83,108	\$ 89,696	\$ 91,541	\$ 91,502	\$ 92,630	\$ 92,171	\$ 98,947	\$ 101,819	\$ 106,156	\$ 108,738
Restricted	18,655	20,053	18,377	19,658	18,876	20,833	22,515	24,362	26,906	27,846
Unrestricted	18,901	16,719	17,241	16,054	15,756	13,541	12,781	12,870	9,382	8,231
Total business-type activities net position	<u>\$ 120,664</u>	<u>\$ 126,468</u>	<u>\$ 127,159</u>	<u>\$ 127,214</u>	<u>\$ 127,262</u>	<u>\$ 126,545</u>	<u>\$ 134,243</u>	<u>\$ 139,051</u>	<u>\$ 142,444</u>	<u>\$ 144,815</u>
Primary government										
Net investment in capital assets	\$ 223,598	\$ 237,308	\$ 241,708	\$ 246,693	\$ 246,813	\$ 247,722	\$ 260,767	\$ 267,977	\$ 272,510	\$ 296,798
Restricted	33,993	37,586	23,149	24,982	24,491	26,577	38,642	40,999	44,140	41,211
Unrestricted	65,883	64,329	87,758	90,014	92,050	93,333	89,554	92,309	92,389	97,039
Total primary government net position	<u>\$ 323,474</u>	<u>\$ 339,223</u>	<u>\$ 352,615</u>	<u>\$ 361,689</u>	<u>\$ 363,354</u>	<u>\$ 367,632</u>	<u>\$ 388,963</u>	<u>\$ 401,285</u>	<u>\$ 409,039</u>	<u>\$ 435,048</u>

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN NET POSITION-CONTINUED ON FOLLOWING PAGE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 4,905	\$ 5,172	\$ 8,268	\$ 5,398	\$ 4,979	\$ 4,733	\$ 4,300	\$ 4,736	\$ 4,483	\$ 4,743
Economic development	-	-	-	-	-	226	353	354	345	653
Parks and recreation	6,634	6,932	7,694	7,914	7,498	7,977	8,115	8,044	7,987	8,427
Public safety	9,865	12,222	12,221	14,214	14,214	14,296	13,714	14,310	15,311	16,111
Public service	5,013	6,004	4,377	4,541	4,323	5,102	4,431	4,020	4,310	4,131
Public works	9,101	10,978	10,051	10,374	10,876	10,615	11,936	12,189	12,164	12,700
Interest on long-term debt	776	745	701	772	757	648	636	808	624	592
Total governmental activities expenses	<u>36,294</u>	<u>42,053</u>	<u>43,312</u>	<u>43,213</u>	<u>42,647</u>	<u>43,597</u>	<u>43,485</u>	<u>44,461</u>	<u>45,224</u>	<u>47,357</u>
Business-type activities:										
Water sewer utility	10,790	13,206	14,528	14,620	14,789	14,234	14,497	15,045	15,404	15,664
Ice center	1,650	1,602	1,700	1,761	1,623	1,669	1,726	1,695	1,734	1,708
Water resources	1,862	1,942	1,714	1,922	2,086	1,829	1,818	1,932	1,966	1,996
Solid waste management	915	813	969	1,029	944	1,049	1,055	900	916	922
Field house	302	305	307	299	293	255	230	236	310	324
Total business-type activities expenses	<u>15,519</u>	<u>17,868</u>	<u>19,218</u>	<u>19,631</u>	<u>19,736</u>	<u>19,036</u>	<u>19,326</u>	<u>19,808</u>	<u>20,330</u>	<u>20,614</u>
Total primary government expenses	<u>\$ 51,813</u>	<u>\$ 59,921</u>	<u>\$ 62,530</u>	<u>\$ 62,844</u>	<u>\$ 62,382</u>	<u>\$ 62,633</u>	<u>\$ 62,811</u>	<u>\$ 64,269</u>	<u>\$ 65,554</u>	<u>\$ 67,971</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 333	\$ 310	\$ 334	\$ 46	\$ 333	\$ 469	\$ 539	\$ 423	\$ 487	\$ 416
Economic development	-	-	-	-	-	7	7	-	-	-
Parks and recreation	1,121	1,189	1,296	1,451	1,312	1,461	1,519	1,582	1,525	1,599
Public safety	2,657	3,116	3,469	3,931	2,176	2,385	3,884	3,705	4,032	4,516
Public service	754	803	1,126	1,098	1,009	953	1,078	979	895	1,007
Public works	799	1,004	931	902	576	1,503	1,935	1,479	1,644	2,833
Operating grants and contributions	6,167	6,232	6,804	9,346	7,118	6,910	5,579	7,770	7,858	9,405
Capital grants and contributions	9,259	12,958	10,292	3,485	2,138	3,578	9,094	4,582	5,525	15,343
Total governmental activities program revenues	<u>\$ 21,090</u>	<u>\$ 25,612</u>	<u>\$ 24,252</u>	<u>\$ 20,259</u>	<u>\$ 14,662</u>	<u>\$ 17,266</u>	<u>\$ 23,635</u>	<u>\$ 20,520</u>	<u>\$ 21,966</u>	<u>\$ 35,119</u>

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN NET POSITION-CONTINUED
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Water sewer utility	\$ 9,611	\$ 10,404	\$ 11,830	\$ 12,276	\$ 13,089	\$ 12,950	\$ 13,546	\$ 14,238	\$ 15,059	\$ 14,354
Ice center	1,278	1,230	1,261	1,372	1,406	1,401	1,407	1,465	1,471	1,508
Water resources	1,864	2,032	2,190	2,366	2,547	2,591	2,562	2,573	2,619	2,705
Solid waste management	1,073	917	1,072	1,296	411	710	941	632	523	498
Field house	299	294	301	358	364	369	348	335	393	378
Operating grants and contributions	244	522	186	717	236	1,087	372	329	446	327
Capital grants and contributions	1,908	6,187	2,138	1,071	589	778	10,564	5,036	2,417	3,970
Total business-type activities program revenues	16,277	21,586	18,978	19,456	18,642	19,886	29,740	24,608	22,928	23,740
Total primary government program revenues	\$ 37,367	\$ 47,198	\$ 43,230	\$ 39,715	\$ 33,304	\$ 37,152	\$ 53,375	\$ 45,128	\$ 44,894	\$ 58,859
Net (expense) revenue										
Governmental activities	\$ (15,204)	\$ (16,441)	\$ (19,060)	\$ (22,954)	\$ (27,985)	\$ (26,331)	\$ (19,850)	\$ (23,941)	\$ (23,258)	\$ (12,238)
Business-type activities	758	3,718	(240)	(175)	(1,094)	850	10,414	4,800	2,598	3,126
Total primary government	\$ (14,446)	\$ (12,723)	\$ (19,300)	\$ (23,129)	\$ (29,078)	\$ (25,481)	\$ (9,436)	\$ (19,141)	\$ (20,660)	\$ (9,112)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 21,134	\$ 23,357	\$ 26,086	\$ 27,543	\$ 29,057	\$ 28,581	\$ 28,551	\$ 29,256	\$ 29,695	\$ 30,038
Investment earnings	1,540	3,018	3,962	2,881	732	361	1,704	1,109	(1,594)	3,448
Gain on sale of capital assets	140	138	10	59	102	81	-	133	91	144
Other	647	130	291	162	195	348	12	233	290	326
Transfers	(359)	(257)	1,411	1,328	(485)	1,954	3,216	724	(863)	1,920
Total governmental activities	23,102	26,386	31,760	31,973	29,602	31,325	33,483	31,455	27,619	35,876
Business-type activities:										
Investment earnings	1,230	1,579	2,229	1,433	571	366	489	671	(68)	1,165
Other	304	250	113	125	85	21	11	61	-	-
Transfers	359	257	(1,411)	(1,328)	485	(1,954)	(3,216)	(724)	863	(1,920)
Total business-type activities	1,893	2,086	931	230	1,142	(1,567)	(2,716)	8	795	(755)
Total primary government	\$ 24,995	\$ 28,472	\$ 32,691	\$ 32,203	\$ 30,743	\$ 29,758	\$ 30,767	\$ 31,463	\$ 28,414	\$ 35,121
Change in Net Position										
Governmental activities	\$ 7,898	\$ 9,945	\$ 12,700	\$ 9,019	\$ 1,617	\$ 4,994	\$ 13,633	\$ 7,514	\$ 4,361	\$ 23,638
Business-type activities	2,651	5,804	691	55	48	(717)	7,698	4,808	3,393	2,371
Total primary government	\$ 10,549	\$ 15,749	\$ 13,391	\$ 9,074	\$ 1,665	\$ 4,277	\$ 21,331	\$ 12,322	\$ 7,754	\$ 26,009

**CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

Fiscal Year	Property Tax
2005	\$ 21,134
2006	23,357
2007	26,086
2008	27,543
2009	29,057
2010	28,581
2011	28,551
2012	29,256
2013	29,695
2014	30,038

CITY OF PLYMOUTH, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund										
Nonspendable	\$ -	\$ -	\$ 10	\$ 8	\$ 7	\$ 6	\$ 10	\$ 62	\$ 37	\$ 474
Assigned	-	-	68	1,333	246	585	633	447	518	689
Unassigned	9,430	10,354	10,943	9,927	11,478	11,246	11,365	11,814	12,234	12,240
Total general fund	<u>\$ 9,430</u>	<u>\$ 10,354</u>	<u>\$ 11,021</u>	<u>\$ 11,268</u>	<u>\$ 11,731</u>	<u>\$ 11,837</u>	<u>\$ 12,008</u>	<u>\$ 12,323</u>	<u>\$ 12,789</u>	<u>\$ 13,403</u>
All other governmental funds										
Nonspendable	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 52	\$ 51	\$ 60
Restricted	8,217	10,082	10,769	12,568	16,777	14,515	15,289	19,475	20,227	16,233
Assigned	32,125	29,552	32,570	32,571	33,505	34,137	38,214	41,654	43,961	48,901
Unassigned	(991)	(128)	-	-	(1)	(1)	(1)	-	-	(542)
Total all other governmental funds	<u>39,397</u>	<u>39,552</u>	<u>43,385</u>	<u>45,185</u>	<u>50,327</u>	<u>48,697</u>	<u>53,548</u>	<u>61,181</u>	<u>64,239</u>	<u>64,652</u>
Total Governmental Funds	<u>\$ 48,827</u>	<u>\$ 49,906</u>	<u>\$ 54,406</u>	<u>\$ 56,453</u>	<u>\$ 62,058</u>	<u>\$ 60,534</u>	<u>\$ 65,556</u>	<u>\$ 73,504</u>	<u>\$ 77,028</u>	<u>\$ 78,055</u>

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Property taxes	\$ 21,115	\$ 23,299	\$ 26,030	\$ 27,465	\$ 29,037	\$ 28,633	\$ 28,547	\$ 29,336	\$ 29,721	\$ 30,017
Special assessments	201	172	152	134	128	86	88	92	82	76
Licenses and permits	2,726	3,138	3,420	3,828	2,272	2,466	3,242	3,942	4,232	5,078
Intergovernmental	9,921	8,019	10,824	8,099	7,687	8,399	6,809	4,923	5,658	13,181
Charges for services	2,717	3,050	3,551	3,238	3,422	4,061	4,635	4,235	4,483	5,679
Fines and forfeitures	860	939	894	897	798	733	878	847	683	606
Contributions	1,241	1,424	633	705	92	1,151	1,476	897	2,178	1,301
Interest income (loss)	1,212	2,221	2,852	2,095	568	290	1,234	831	(1,093)	2,525
Loan repayments	-	-	-	-	5	7	7	7	7	8
Other revenue	733	445	459	278	227	333	262	207	226	291
Total Revenue	40,726	42,707	48,815	46,739	44,236	46,159	47,178	45,317	46,177	58,762
Expenditures										
General government	4,604	4,801	5,309	4,341	4,103	4,365	4,177	4,627	4,579	4,492
Economic development	-	-	-	-	-	226	953	354	346	673
Parks and recreation	5,478	5,548	6,072	6,219	6,300	6,621	6,744	6,815	6,821	7,314
Public safety	9,697	10,718	11,655	13,222	13,511	13,856	13,478	14,173	15,014	15,913
Public service	4,777	4,596	4,362	4,452	4,449	4,017	4,248	3,892	4,139	4,021
Public works	3,472	3,159	4,099	4,294	4,155	5,065	5,118	4,873	5,184	5,353
Interest on interfund advances	82	72	62	51	39	27	76	56	51	45
Debt service:										
Principal retirement	990	1,390	1,535	1,600	1,690	1,920	1,445	1,915	1,320	1,345
Interest and fiscal charges	758	783	723	752	759	682	652	649	727	646
Bond issuance costs	-	-	30	-	49	37	-	-	-	-
Capital outlay	16,502	11,821	17,174	11,235	7,636	11,909	10,289	8,255	7,788	23,691
Total Expenditures	46,360	42,888	51,021	46,166	42,691	48,725	47,180	45,609	45,969	63,493
Excess of revenues over (under) expenditures	(5,634)	(181)	(2,206)	573	1,545	(2,566)	(2)	(292)	208	(4,731)

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS-CONTINUED
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other financing sources (uses)										
Transfers in	\$ 12,183	\$ 5,552	\$ 16,901	\$ 11,858	\$ 8,505	\$ 16,611	\$ 16,988	\$ 12,006	\$ 12,377	\$ 30,790
Transfers out	(9,115)	(4,292)	(12,945)	(10,384)	(8,449)	(14,658)	(11,965)	(8,926)	(9,061)	(25,033)
Bonds issued	1,370	-	2,715	-	3,935	2,990	-	4,815	-	-
Premium (discount) on debt	(12)	-	(7)	-	69	49	-	345	-	-
Payment on refunded bonds	(1,300)	-	-	-	-	(3,950)	-	-	-	-
Sale of capital assets	-	-	42	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>3,126</u>	<u>1,260</u>	<u>6,706</u>	<u>1,474</u>	<u>4,060</u>	<u>1,042</u>	<u>5,023</u>	<u>8,240</u>	<u>3,316</u>	<u>5,757</u>
Net change in fund balances	<u>\$ (2,508)</u>	<u>\$ 1,079</u>	<u>\$ 4,500</u>	<u>\$ 2,047</u>	<u>\$ 5,605</u>	<u>\$ (1,524)</u>	<u>\$ 5,021</u>	<u>\$ 7,948</u>	<u>\$ 3,524</u>	<u>\$ 1,026</u>
Capitalized expenditures	15,024	8,072	14,472	10,669	6,141	11,909	10,289	8,255	8,005	23,860
Debt service as a percentage of noncapital expenditures	5.58%	6.24%	6.18%	6.63%	6.70%	7.07%	5.68%	6.86%	5.39%	5.02%

CITY OF PLYMOUTH, MINNESOTA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>
2005	\$ 21,115
2006	23,299
2007	26,030
2008	27,465
2009	29,037
2010	28,633
2011	28,547
2012	29,336
2013	29,721
2014	30,017

CITY OF PLYMOUTH, MINNESOTA
ASSESSED VALUE/TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except for population and direct tax rate)

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Population (1)	70,455	70,676	71,147	71,536	72,268	70,576	71,263	71,644	72,969	73,518
Real Property										
Assessed/tax capacity value	<u>\$ 94,585</u>	<u>\$ 102,569</u>	<u>\$ 112,009</u>	<u>\$ 121,295</u>	<u>\$ 122,107</u>	<u>\$ 116,187</u>	<u>\$ 108,748</u>	<u>\$ 103,968</u>	<u>\$ 103,542</u>	<u>\$ 105,159</u>
Estimated market value	<u>\$ 8,053,678</u>	<u>\$ 8,690,753</u>	<u>\$ 9,440,899</u>	<u>\$ 10,041,803</u>	<u>\$ 10,012,350</u>	<u>\$ 9,548,268</u>	<u>\$ 8,973,492</u>	<u>\$ 8,802,943</u>	<u>\$ 8,704,104</u>	<u>\$ 8,872,822</u>
Personal Property										
Assessed/tax capacity value	<u>\$ 894</u>	<u>\$ 913</u>	<u>\$ 1,023</u>	<u>\$ 943</u>	<u>\$ 942</u>	<u>\$ 944</u>	<u>\$ 1,021</u>	<u>\$ 1,071</u>	<u>\$ 1,219</u>	<u>\$ 1,296</u>
Estimated market value	<u>\$ 44,940</u>	<u>\$ 45,985</u>	<u>\$ 51,652</u>	<u>\$ 47,578</u>	<u>\$ 47,640</u>	<u>\$ 47,820</u>	<u>\$ 51,696</u>	<u>\$ 54,454</u>	<u>\$ 61,736</u>	<u>\$ 65,587</u>
Total Real and Personal Property										
Assessed/tax capacity value	<u>\$ 95,479</u>	<u>\$ 103,482</u>	<u>\$ 113,032</u>	<u>\$ 122,238</u>	<u>\$ 123,048</u>	<u>\$ 117,131</u>	<u>\$ 109,769</u>	<u>\$ 105,039</u>	<u>\$ 104,761</u>	<u>\$ 106,455</u>
Estimated market value	<u>\$ 8,098,618</u>	<u>\$ 8,736,738</u>	<u>\$ 9,492,551</u>	<u>\$ 10,089,381</u>	<u>\$ 10,059,990</u>	<u>\$ 9,596,088</u>	<u>\$ 9,025,188</u>	<u>\$ 8,857,397</u>	<u>\$ 8,765,840</u>	<u>\$ 8,938,409</u>
Total direct tax rate (2)	<u>23.81</u>	<u>23.75</u>	<u>23.75</u>	<u>23.35</u>	<u>24.86</u>	<u>26.01</u>	<u>27.49</u>	<u>28.72</u>	<u>29.81</u>	<u>30.12</u>

Source: Hennepin County

(1) See the Schedule of Demographic and Economic Statistics for population data.

(2) See the Schedule of Direct and Overlapping Property Tax Rates for the direct tax rate data.

**CITY OF PLYMOUTH, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	City of Plymouth Rates			Overlapping Rates (1)								
	Operating	Housing & Redevelopment Authority	Total City Rate	Hennepin County Operating	Other Districts Operating	School Districts				Watershed Districts		
						Dist #270 Operating	Dist #279 Operating	Dist #281 Operating	Dist #284 Operating	Dist #3 Operating	Dist #7 Operating	Dist #8 Operating
2005	23.13	0.68	23.81	44.17	6.70	19.18	24.34	29.99	20.71	1.28	0.34	-
2006	23.20	0.55	23.75	41.02	6.99	21.57	21.82	28.49	21.89	1.07	0.43	0.07
2007	23.28	0.47	23.75	39.11	7.31	19.02	23.76	28.75	20.25	1.12	0.12	-
2008	22.89	0.46	23.35	38.57	7.40	19.22	19.71	27.24	19.67	1.40	0.65	0.27
2009	24.37	0.49	24.86	40.41	7.15	20.08	21.03	27.21	20.41	1.49	0.54	0.05
2010	25.50	0.51	26.01	42.64	8.14	23.05	22.38	28.62	23.31	1.51	0.69	0.08
2011	26.94	0.55	27.49	45.84	9.17	26.46	24.22	34.39	24.03	1.61	0.67	0.57
2012	28.15	0.57	28.72	48.23	9.52	29.27	24.93	32.81	25.33	1.71	0.62	-
2013	29.24	0.57	29.81	49.46	10.09	29.73	27.97	32.35	25.24	1.77	0.84	0.10
2014	29.55	0.57	30.12	49.96	10.56	32.36	29.82	34.78	24.57	1.81	0.75	-

Source: Hennepin County

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Plymouth. Not all overlapping rates apply to all City of Plymouth property owners (e.g., only one school district will assess taxes to any one given property).

**CITY OF PLYMOUTH, MINNESOTA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (amounts expressed in thousands)**

Taxpayer	2014			2005		
	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value
St Paul Properties Inc	\$ 1,053	1	0.99%	\$ 1,028	2	1.08%
Talcott III Atria LLC	838	2	0.79%	-	-	-
MU Plymouth Ponds LLC	784	3	0.74%	-	-	-
GS Park Place LLC	641	4	0.60%	-	-	-
505 Waterford LLC	575	5	0.54%	501	10	0.53%
Stoneleigh Apartments LLC	538	6	0.51%	-	-	-
One Two Holding LLC	491	7	0.46%	-	-	-
Plymouth Corp Center De LLC	486	8	0.46%	-	-	-
BPP Retail LLC	484	9	0.45%	-	-	-
AEW LT Vicksburg LLC	458	10	0.43%	-	-	-
Carlson Companies	-	-	-	1,838	1	1.93%
Moen Leuer Development	-	-	-	846	3	0.89%
Liberty Property Ltd. Partnership	-	-	-	791	4	0.83%
Equity Residential Property Trust	-	-	-	759	5	0.79%
Principal Life Insurance Co.	-	-	-	733	6	0.77%
Sentinel Real Estate Corp.	-	-	-	697	7	0.73%
West Health Inc	-	-	-	563	8	0.59%
OPUS Real Estate MN LLC	-	-	-	546	9	0.57%
	<u>\$ 6,348</u>		<u>5.97%</u>	<u>\$ 8,302</u>		<u>8.71%</u>

Source: Hennepin County.

CITY OF PLYMOUTH, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 21,816	\$ 21,043	96.46%	\$ 158	\$ 21,201	97.18%
2006	23,765	23,030	96.91%	164	23,194	97.60%
2007	25,889	25,679	99.19%	199	25,878	99.96%
2008	27,485	26,960	98.09%	275	27,235	99.09%
2009	28,899	27,915	96.60%	264	28,179	97.51%
2010	28,727	27,797	96.76%	227	28,024	97.55%
2011	28,728	27,748	96.59%	211	27,959	97.32%
2012	28,728	28,411	98.90%	131	28,542	99.35%
2013	29,185	28,870	98.92%	85	28,955	99.21%
2014	29,770	29,511	99.13%	-	29,511	99.13%

CITY OF PLYMOUTH, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year Ended December 31	Governmental Activities			Business- Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita(1)
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Financing Bonds	Water Revenue Bonds			
2005	\$ 13,280	\$ 3,300	\$ 4,163	\$ 12,064	\$ 32,807	1.28%	\$ 466
2006	12,500	2,730	4,119	11,351	30,700	1.20%	434
2007	14,293	2,160	4,065	10,628	31,146	1.02%	438
2008	13,349	1,575	3,990	9,885	28,799	0.87%	403
2009	13,861	980	6,382	9,127	30,350	0.90%	420
2010	14,259	370	3,741	8,344	26,714	0.82%	379
2011	13,044	285	3,575	7,541	24,445	0.73%	343
2012	16,732	-	3,374	12,042	32,148	0.97%	449
2013	15,576	-	3,163	11,073	29,812	0.85%	409
2014	14,420	-	2,938	5,127	22,485	0.65%	306

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF PLYMOUTH, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year Ended December 31	General Obligation Bonds	Less: Amounts Available in Debt Service Fund(2)	Total	Percentage of Estimated Actual Taxable Value of Property(1)	Per Capita(1)
2005	\$ 32,807	\$ 1,611	\$ 31,196	0.14%	\$ 164
2006	30,700	1,852	28,848	0.12%	149
2007	31,146	2,129	29,017	0.13%	170
2008	28,799	2,248	26,551	0.11%	154
2009	30,350	3,913	26,437	0.26%	366
2010	26,714	2,505	24,209	0.25%	343
2011	24,445	3,311	21,134	0.23%	297
2012	32,148	8,192	23,956	0.27%	334
2013	29,812	7,767	22,045	0.25%	302
2014	22,485	7,523	14,962	0.17%	204

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value/Tax Capacity Value and Estimated Market Value for property value data and population.

(2) The City is using governmental net position restricted for debt service. We believe this to be the best amount available to present a consistent net amount when refunding bonds are held for payment, which are not restricted on entity-wide statements due to conversion for full accrual accounting.

CITY OF PLYMOUTH, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable *</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Hennepin County	\$ 1,118,210	7.3%	\$ 54,687
ISD #270 (Hopkins)	163,030	3.4%	5,506
ISD #279 (Osseo)	144,255	10.0%	7,717
ISD #281 (Robbinsdale)	169,970	25.4%	42,625
IDS #284 (Wayzata)	194,300	55.1%	95,861
Metropolitan Council	1,724,005	3.7%	3,504
Three Rivers Park District	66,945	9.9%	5,163
Hennepin County Regional Railroad Auth.	36,205	9.9%	3,481
Subtotal, overlapping debt			<u>218,544</u>
City of Plymouth direct debt			<u>17,358</u>
Total direct and overlapping debt			<u>\$ 235,902</u>

Source: Hennepin County, Minnesota

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Plymouth. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Plymouth. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

* The percentage applicable to the City of Plymouth was determined by dividing the portion of tax capacity within the City by the total tax capacity of the taxing jurisdiction.

**CITY OF PLYMOUTH, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 158,977	\$ 172,690	\$ 188,344	\$ 301,248	\$ 301,800	\$ 287,883	\$ 270,756	\$ 265,722	\$ 262,975	\$ 268,152
Total net debt applicable to limit	11,569	10,553	12,081	11,022	9,827	11,605	10,388	8,844	8,274	7,690
Legal debt margin	<u>\$ 147,408</u>	<u>\$ 162,137</u>	<u>\$ 176,263</u>	<u>\$ 290,226</u>	<u>\$ 291,973</u>	<u>\$ 276,278</u>	<u>\$ 260,368</u>	<u>\$ 256,878</u>	<u>\$ 254,701</u>	<u>\$ 260,462</u>
Total net debt applicable to the limit as a percentage of debt limit	7.28%	6.11%	6.41%	3.66%	3.26%	4.03%	3.84%	3.33%	3.15%	2.87%

Legal Debt Margin Calculation for Fiscal Year 2014

Estimated taxable market value	\$ 8,938,409
Debt limit (3% of total market value)	268,152
Debt applicable to limit:	
Capital Improvement Bonds 2004A	4,930
Open Spaces GO Bonds 2007A	1,965
Open Space Bonds 2010A	2,515
Refunding Bonds 2012A	4,665
Less: Amount set aside for repayment of general obligation debt	<u>(6,385)</u>
Total net debt applicable to limit	<u>7,690</u>
Legal debt margin	<u>\$ 260,462</u>

Note: Under State of Minnesota law, the City of Plymouth's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

CITY OF PLYMOUTH, MINNESOTA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended December 31	Water Revenue Bonds						Special Assessment Bonds				
	Water-Sewer Utility Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage	
				Principal(1)	Interest			Principal	Interest		
2005	\$ 11,278	\$ 9,376	\$ 1,902	\$ 1,050	\$ 296	1.41	\$ 1,195	\$ 380	\$ 109	2.44	
2006	11,862	10,085	1,777	1,765	419	0.81	1,999	570	96	3.00	
2007	13,568	10,793	2,775	725	397	2.47	1,522	570	81	2.34	
2008	13,567	10,682	2,885	745	382	2.56	1,437	585	66	2.21	
2009	13,677	11,136	2,541	760	360	2.27	1,489	595	49	2.31	
2010	13,380	10,523	2,857	785	336	2.55	1,253	610	31	1.95	
2011	13,712	10,654	3,058	805	309	2.75	1,264	85	19	12.15	
2012	14,900	10,900	4,000	830	280	3.60	1,541	285	20	5.05	
2013	15,158	11,132	4,026	940	432	2.93	-	-	-	-	
2014	15,386	11,408	3,978	950	253	3.31	-	-	-	-	

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

Gross Revenue includes operating revenue, investment income and non-operating revenues exclusive of connection fees plus operating transfers in for other funds' share of debt service requirements.

Operating Expenses include personal services, materials and supplies, and contractual services.

(1) Refunding payments have been excluded.

**CITY OF PLYMOUTH, MINNESOTA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

Fiscal Year	Population (A)	Personal Income (In Thousands)	Per Capita Personal Income (B)	School Enrollment (C)	Unemployment Rate (A)
2005	70,455	\$ 2,558,151	\$ 36,309	52,047	3.1%
2006	70,676	2,566,175	36,309	53,102	2.9%
2007	71,147	3,053,772	42,922	53,251	3.7%
2008	71,536	3,293,231	46,036	51,262	6.4%
2009	72,268	3,370,869	46,644	51,215	6.0%
2010 (D)	70,576	3,275,079	46,405	51,116	6.1%
2011	71,263	3,363,257	47,195	51,807	4.6%
2012	71,644	3,300,854	46,073	51,553	4.3%
2013	72,969	3,515,428	48,177	51,480	3.6%
2014	73,518	3,451,523	46,948	51,613	2.6%

- Source:
- (A) Minnesota Department of Employment and Economic Development
 - (B) Metropolitan Council
 - (C) School district boundaries do not conform to city boundaries; enrollment totals include students from surrounding communities.
 - (D) US population census data; available every 10 years

**CITY OF PLYMOUTH, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2014			2005		
	Employees	Rank	Percentage of Total Plymouth Employment	Employees	Rank	Percentage of Total Plymouth Employment
I.S.D. #284 (Wayzata)	1,505	1	3.06%	1,061	3	2.59%
Aimia	1,000	2	2.03%	-	-	-
Select Comfort Corp	900	3	1.83%	-	-	-
EV3, Inc	875	4	1.78%	-	-	-
St. Jude Medical	800	5	1.63%	-	-	-
Prudential Insurance Company	598	6	1.21%	1,050	4	2.56%
City of Plymouth	571	7	1.16%	-	-	-
Honeywell International	525	8	1.07%	-	-	-
Nilfisk-Advance, Inc	500	9	1.02%	580	6	1.42%
U.S. Foods	500	10	1.02%	-	-	-
Carlson Companies	-	-	-	4,500	1	10.99%
Boston Scientific	-	-	-	3,100	2	7.57%
Computer Network Technology Corp	-	-	-	1,000	5	2.44%
Assurant Health	-	-	-	500	7	1.22%
Upsher-Smith Laboratories, Inc.	-	-	-	500	8	1.22%
Polaris Industries	-	-	-	400	9	0.98%
Progress Casting Group, Inc.	-	-	-	365	10	0.89%
	<u>7,774</u>		<u>15.79%</u>	<u>13,056</u>		<u>31.88%</u>

Note: Data is based on the most current information available. 2005 data is equal to 2004 data.

Sources: City Community Development Department, 2014 Ehlers, 2004 Springsted

**CITY OF PLYMOUTH, MINNESOTA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administration	10	10	10	10	10	11	8	9	8	8
Assessing	6	6	6	6	6	7	7	7	7	-
Finance	15	15	15	15	14	13	10	12	12	11
Inspection	11	12	12	12	12	12	10	11	11	11
Planning	11	11	11	11	11	11	11	11	11	12
Information Technology	7	7	7	8	7	7	5	6	6	6
Parks										
Administration	5	5	5	5	5	9	9	9	9	9
Park Maintenance	25	25	25	26	26	21	20	20	19	20
Plymouth Creek	5	5	5	5	6	5	5	5	5	5
Ice Center	5	5	5	5	5	4	5	5	5	5
Public Safety										
Police- Sworn	67	67	69	70	70	66	68	64	67	71
Police - Civilian	16	16	16	17	16	17	15	16	17	17
Fire Prevention	2	2	2	2	2	0	0	0	0	0
Full Time Fire Fighters	7	7	7	7	6	6	6	6	6	6
Public Works										
Engineering	18	18	17	17	17	13	13	10	9	11
Streets	19	19	18	19	19	13	13	13	13	15
Central Equipment	4	4	4	4	4	5	5	6	6	6
Recycling Administration	1	1	1	1	1	2	2	1	1	1
Risk Management	1	1	1	1	1	1	1	1	1	1
Building Management	2	2	2	2	2	2	2	3	2	2
Public Service										
House and Development	6	6	6	6	6	3	3	3	2	2
Sewer/Water	21	21	23	23	23	23	23	23	24	25
Transit	2	2	2	2	2	1	1	1	1	-
	<u>266</u>	<u>267</u>	<u>269</u>	<u>274</u>	<u>271</u>	<u>252</u>	<u>242</u>	<u>242</u>	<u>241</u>	<u>243</u>

**CITY OF PLYMOUTH, MINNESOTA
OPERATING INDICATORS BY FUNCTION
LAST NINE FISCAL YEARS**

	FISCAL YEAR								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police									
Medical calls	2,526	2,925	2,314	2,962	3,257	3,284	3,417	3,564	3,771
Traffic incidents	18,192	17,847	18,471	15,771	16,380	20,318	17,632	16,161	14,454
Citations	12,424	13,090	12,742	11,313	11,072	13,729	10,925	11,712	10,108
Other	20,233	18,297	10,772	17,118	17,398	13,582	14,254	12,831	14,059
Fire									
Inspections	2,321	2,301	1,758	1,629	1,007	1,221	1,093	1,070	1,191
Fire calls - Residential	725	814	743	701	786	926	800	916	940
Fire calls - Structural	1,041	355	312	270	248	285	240	267	295
Fire calls - Other	311	343	290	278	374	325	334	322	286
Inspections									
Permit related	8,908	16,942	17,464	14,568	18,036	18,043	19,641	17,750	20,370
Non-permit related	24,422	7,332	10,940	7,627	2,185	2,240	2,556	2,564	2,595
Recreation									
Hours of ice time	7,851	7,054	6,612	6,801	7,166	7,315	6,847	6,784	6,889
Number of programs	1,721	1,818	1,862	1,908	2,011	2,003	2,079	2,146	2,113
Plymouth Creek Center rentals	4,083	4,053	3,838	3,757	3,956	4,218	4,068	4,086	4,204
Water									
Gallons of water production (in thousands)	3,540,616	3,609,790	3,399,495	3,524,110	3,183,085	3,146,805	3,629,615	3,198,740	2,898,520
Watermain breaks	59	88	54	43	29	53	34	35	39
Publicworks									
Snowplowing hours	1,348	1,730	1,954	2,179	3,003	970	3,023	2,786	1,682

(1) Fiscal year 2006 was the first year of implementing GASB Statement No. 44.

**CITY OF PLYMOUTH, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	17	21	25	38	38	33	23	17	19
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works										
Trunk highways (miles)	20	20	20	20	20	20	20	20	20	20
Paved - County (miles)	24	28	28	28	26	26	26	26	26	26
Other streets & alleys (miles)	277	283	284	287	287	290	294	297	300	305
Sidewalks (miles)	9	9	9	11	11	12	12	12	12	12
Streetlights	2,694	2,910	2,910	2,973	2,984	3,028	3,059	3,042	3,133	3,181
Parks and recreation										
Acreage	1,000	1,000	1,200	1,273	1,273	1,400	1,410	1,685	1,688	1,691
Number of parks and playgrounds	45	45	49	49	50	50	50	50	52	54
Trails (miles)	100	110	110	136	136	136	137	140	145	145
Community center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	326	350	352	353	353	354	361	366	369	373
Fire hydrants:										
Private	1,514	1,545	1,545	1,562	1,569	1,571	1,571	1,573	1,579	1,588
Public	4,133	4,297	4,333	4,345	4,429	4,434	4,528	4,580	4,638	4,703
Wastewater										
Sanitary sewer (miles)	297	307	309	309	309	309	319	322	325	328
Storm sewer (miles)	127	129	133	134	134	134	140	143	146	150

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.